

New York City and vicinity: Sunny, seasonably warm. Moderate northerly winds. Highest temperature in the low 80s. Yesterday's temperature range to 9 p.m.: High 87, low 70.

# THE WALL STREET JOURNAL.

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## Fibre Fray

Rayon, Nylon Men Spur Ads, Research in Scrap For Auto Tire Market

Nylon Cord Gains in Truck, Replacement Fields; Rayon Holds Wide New Car Lead

"Ace" Rolls Out of Nairobi

By HARLAN BYRNE  
Staff Reporter of THE WALL STREET JOURNAL

Two heavily-loaded trucks and a jeep today will roll out of Nairobi, capital of Kenya, bearing explorer Adrian "Ace" Williams on a two-month African safari.

With scenic geography like Mount Kilimanjaro for background, Ace will be out to bag a few more trophies for his big game collection back home in Bronxville, N.Y. But between kills he'll champion a commercial cause by sending his motorized caravan over jolting and otherwise unnecessary detours such as dry, rock-studded river beds. If all goes well, you'll see testimonials by Ace in magazine ads relating the rugged service his vehicles got from rayon cord tires; one of the sponsors of the safari is American Viscose Corp., a major rayon cord producer.

Avisco will use Ace's testimonials as part of the rayon industry's new counterattack against its arch competitor, nylon. Rayon last year still accounted for 84% of all tire cord, but nylon's share had grown to 16% from less than 1% in as recent a year as 1951. At stake is a \$20 million-a-year market in tire cords. Both fibres, represented by shock troops of advertising men, researchers, and engineers, are out to win over the tire makers, Detroit's automobile producers and the nation's 50 million car owners.

Public Comes Out Ahead

Whichever side wins, the car owning public is likely to benefit. Both forces are now spurring their researchers to greater efforts to improve the tire cord qualities of their fibres. And the battle is growing intense enough to hold prices of tire cords, and consequently tires, down.

The cord in a tire, of course, is highly important to the car owner. "Actually, the cord is the tire," explains a U.S. Rubber spokesman. "The cord serves the same purpose as the bones in your body. The rubber is used to protect the cord, to provide a wearing surface and to provide the flex in a tire."

The cord is a loosely-woven fabric of yarn which when coated and impregnated with rubber forms a rubberized sheet called a "ply." Most passenger car tires have four plies while a big truck tire may have as many as 10 plies. A passenger car tire may contain anywhere from 1 1/4 pounds to 2 1/2 pounds of cord; a truck or bus tire, 10 to 14 pounds, while a big aircraft tire could require as much as 26 pounds of cord.

Briefly, rayon producers, such as E. I. du Pont de Nemours & Co. and Chemstrand Corp., claim rayon tire cords are far tougher than rayon, having twice the impact resistance of rayon, an important factor when you hit a chuckhole. Consequently, it takes only six-tenths of a pound of rayon to replace one pound of rayon tire cord. Nylon also absorbs tire strain better and its fibre resists moisture that seeps in through cracks or cuts in the rubber and weakens "ordinary" cord.

Rayon Answers

Rayon producers, such as Avisco, American Enka Corp., Beaumit Mills, Inc., and Industrial Rayon Corp., are not letting the rayon claims go unanswered. They reply that rayon is strong enough for the average motorist's needs, a claim with which most tire engineers agree. Rayon also is cheaper than nylon, its best grade selling at 55 cents a pound, less than half of nylon's \$1.30. But, because less rayon is used in each tire, the price of a rayon tire is only about 10% higher than that of a comparable rayon tire.

The rayon makers also note, rightly, that rayon cords suffer from a distressing tire disease known as "snoring thumps." Because rayon is stretchier than rayon it has a tendency to "set" or form flat spots on the tread after a car has been driven a lot, then parked overnight. The spots usually smooth out after two or three miles of driving. But Detroit's automotive engineers are super-sensitive to "snoring thumps." The auto engineers are also reported concerned by the whine and sing of rayon tires on the road.

Both sides are moving to protect their Achilles' heels, however. Nylon laborers are working to correct rayon's morning thumps. And before long American Enka will announce a new rayon tire yarn reportedly with a tensile strength about 15% greater than any rayon presently used for tire cord and only about 10% less than rayon. This development, observes one tire engineer, "may help rayon stem the shift to rayon."

Company Notes

Baltimore & Ohio Railroad—First half net eased to around \$4.37 a share, from \$5.03 a year ago, said Howard E. Simpson, president. But "we are hopeful," he added, that net for all 1957 will match 1956's \$7.50 a share.

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## What's News—

### Business and Finance

STEEL MAKERS foresee high-level demand for the rest of this year and probably through the first half of 1958. Steel orders have gone down from the fast pace of early 1957. But they're holding up sufficiently to keep industry-wide output around 80% of capacity in a month generally expected to be the low for the year.

Producers look for an upturn in late summer as auto manufacturers start ordering steel heavily for 1958 models. And demand from this source is counted on to provide strong support for the steel market in the first five or six months next year. Steel men note auto company labor contracts expire around mid-1958. They feel the car manufacturers will be inclined to stock up dealers lest a stalemate ensue over union demands for a shorter work week.

Treasury Secretary Humphrey today starts conferring with leading bankers on new securities to be offered in exchange for nearly \$16 billion of maturing Government obligations. It seemed a foregone conclusion that the refunding would be conducted through short-term issues. Details will be announced Thursday. The operation is the last major task facing Mr. Humphrey before he turns over the Treasury post to Robert B. Anderson to become chairman of National Steel Corp.

Cement shortages stemming from strike are forcing construction firms in the East and South to pay premiums for the building material ranging from 8% to 77%. But suppliers deny this means there's a "gray market" in cement—at least, as of now. Most of the extra cost, they say, represents freight charges tacked on to regular selling prices as contractors scout for cement at mills unaffected by walkouts which have idled nearly half the nation's 170 cement plants.

House Democrats plan to seize the initiative from President Eisenhower on budget cutting and tax relief. They threaten to push through Congress a proposal to limit Federal outlays in fiscal 1958 to \$69 billion or even \$68 billion.

They're also talking again of starting work on a tax-reduction bill, to take effect January 1, 1958. These maneuvers would be the Democrats' answer to a recent secret White House order aimed at holding down spending to pave the way for G.O.P.-sponsored tax slashes.

Copper demand continues slow, with many consuming plants closed for vacations. Prices remained unchanged in the U.S. last week, but worked generally lower overseas. Spot copper declined a half-cent in London to 27 cents a pound. Trade circles were disappointed over Chile's delay in acting on a proposed cutback in production. Lower prices in London resulted about a half-cent mark-down in the price charged by Katanga, the big Belgian Congo producer. Its new quotation is equivalent to 28.50 cents in Belgium and 27.6 cents in New York.

Federal housing officials put off a decision on lowering minimum down payments on F.H.A.-insured mortgages. A reduction was authorized by legislation which President Eisenhower signed over the week-end. Before it can cut its minimums, however, the F.H.A. is required to find that such action is warranted by economic conditions. The Administration considers inflation the chief danger to economic stability, and there's strong feeling that more liberal down payment terms might add to inflationary pressures.

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Markets

Strength predominated in Friday's dealings on the New York Stock Exchange. Dow-Jones industrials approached the record high of 521.05, set April 6, 1956. They closed at 520.77, up 0.94%. Rails advanced 0.37% to 123.51 and utilities 0.73% to 71.70. Transactions amounted to 2,240,000 shares. London—Financial Times common share index 303.7, off 2.5.

Bonds—Volume 12,900,000. Dow-Jones 40 bonds 87.04, up 0.15; high grade rails 87.05, off 0.08; speculative rails 85.12, up 0.16; utilities 86.47, up 0.22; industrials 89.82, up 0.29.

Commodities—Dow-Jones futures index 180.75, off 0.01; spot index 184.34, off 0.34.

Earnings

—Net Income—For Com. Inc.

Great American	1957	1956	1957	1956
4 mo. June 30	\$12,000,000	\$12,700,000	\$12,000,000	\$12,700,000
Great Northern	14,000,000	13,100,000	1,170	1,200
Light-Oper. Glass	14,277,361	13,600,000	1,257	1,250
Standard	13,700,000	13,377,360	1,231	1,250
Western Maryland	4,050,000	3,900,000	0.67	0.78

—On shares at close of period. —On present share.

(Today's Index on Page 2)

### World-Wide

SENATE SUPPORTERS of the civil rights bill split over a controversial section.

Sen. Anderson (D., N. M.) said he is drafting an amendment eliminating a section which critics claim is aimed at "punitive" action against the South. It would strike part III from the House-passed measure and parallel an amendment offered by Sen. Russell (D., Ga.), leader of the bill's opponents.

Part III authorizes the attorney general to seek Federal court injunctions against violations of civil rights in general. Judges issuing these injunctions could enforce them with fines and jail sentences without jury trials.

Sen. Douglas (D., Ill.), like Anderson a supporter of the Administration measure, said he would fight any effort to scissor part III. "The bill is OK the way it is," Douglas added.

Sen. Mundt (R., S. D.) predicted Eisenhower will stay out of the Senate fight over amendments. Mundt, describing himself as a "neutral," has said he would offer a substitute bill striking out part III and including a so-called jury trial amendment. This would provide for jury trials in Federal court contempt cases where the facts are in dispute.

Russell charged civil rights pressure groups have convinced leaders of both parties they will determine the outcome of the Presidential election in 1960. He said the drive by some of these organizations—he mentioned particularly the National Association for the Advancement of Colored People and Americans for Democratic Action—is "shot through with politics."

MITCHELL SAID the Administration will draft proposed changes in the Taft-Hartley Act.

The Labor Secretary told a TV audience the Administration hopes to have a "well-thought-through program" ready for Congress by the end of next year. There are no plans to junk the act, he added, but "there is a need for a complete review of all legislation having to do with labor and management relations."

Mitchell did not say what Taft-Hartley features should be overhauled or how sweeping the Administration proposals would be. Union leaders have fought unsuccessfully to get the law revised or repealed.

Mitchell said the Administration is counting on the glare of publicity, rather than administrative action, to force labor unions to "clean house." He called disclosures by the McClellan committee "a healthy thing."

The Senate inquiry into racketeering will resume tomorrow with John A. Barr, president of Montgomery Ward, as the first witness. He has requested an opportunity to answer testimony about his company's relations with President Beck of the Teamsters Union.

A King County (Seattle) grand jury indicted Beck and his son over the weekend on charges of grand larceny in the sale of cars owned by the Western Teamsters Conference. Beck, branding the indictments as "simply ridiculous," said he repaid every bit of the money to the union.

Chairman Cellier (D., N. Y.) of the House Judiciary Committee warned the Federal Communications Commission not to conduct field trials of pay-as-you-see TV without the express consent of Congress. Such tests, Cellier added, contain a "calculated risk" to free television broadcasts. The F.C.C. has ruled it has legal authority to conduct field trials.

The body of the late Aga Khan will be flown to Cairo Wednesday night for burial at Aswan in a mausoleum expected to become a pilgrimage site for Islam. In Geneva, the Aga's sons, Aly and Sadruddin, lauded off reports they were estranged and that they have any hard feelings because Karim, Aly's oldest son, has been named Aga Khan IV.

Romania's Communist Party has reshuffled the government following the purge of two top "anti-party" leaders a la Kremlin. Radio Bucharest disclosed. Near Prague, Russia leaders Khrushchev and Bulganin conferred with Czech leaders in what Radio Prague called "a very friendly atmosphere."

Pakistani Prime Minister Bhutto said he is almost certain Eisenhower will give "strong backing" to Pakistan's formula for solving the bitter Kashmir dispute with India. It calls for a U.N. plebiscite to decide the future of the state. Bhutto, now in the price charged by Katanga, the big Belgian Congo producer. Its new quotation is equivalent to 28.50 cents in Belgium and 27.6 cents in New York.

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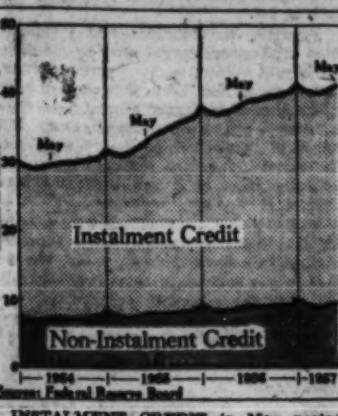
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### Consumer Credit Increases



### The Outlook

#### Appraisal of Current Trends In Business and Finance

Why do we have anti-monopoly laws in this country? Obviously, because the American people don't like to be gouged in the prices they pay. Thus they dislike monopoly for the same reason they dislike inflation.

Indeed, the effects and symptoms of monopoly and inflation are very similar. Both manifest themselves in shortages and both manifest themselves in rising prices. Of course, one restricts supply and the other stimulates demand. Another big difference, in the past, has been that monopolies have been thought of as separate organizations, each confined to one product or one industry, whereas inflation, being a blowing up (in the sense of blowing up a balloon) of a whole nation's currency, is known to affect supply and demand and prices throughout the economic system.

But that second difference has been considerably modified, as an economist suggested a few days ago. Edwin G. Nourse, once chairman of former President Truman's Council of Economic Advisors, told Senator Kefauver's anti-monopoly sub-committee that there are in the nation today "administered wages" as well as "administered prices." The latter phrase, readers may remember, was in wide use by Government officials some 20 or more years ago, and is intended to describe the situation in industries like steel,

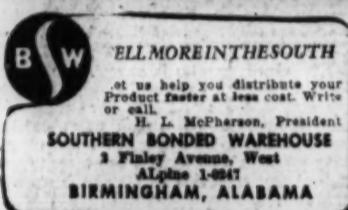
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**HOW DO YOU RATE ?**

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How's your sense of humor? Sharp . . . dull . . . average? Does it rise and fall with the market? Do you enjoy a good laugh, a practical joke? Or, are you always too busy to take time out for a laugh? If you are—read no more—this Club is not for you!

**FOR MEN WITH HUMOR**  
This Club is only for men with a sense of humor—men who enjoy a good "gag" a practical joke and enjoy spreading a few laughs among their friends and associates! Men who are seeking a reprieve from excessive pressure, business tension, and high taxes will enjoy this club.

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**YOU PAY ONLY \$1.17 PER GIFT!**  
What value do you place on a good laugh? On television it can cost \$10,000 a week for a show that becomes a Trendex victim. In a night club you can spend a small fortune and go home unsatisfied. But as a member of the Laugh of the Month Club, your laughs cost you only \$1.17 per month! Quite low, isn't it, when you consider the cost of anything else in this inflationary market? Yes, you pay only \$14.00 for a full year's membership of twelve monthly surprise gifts—delivered to your door postpaid—nothing else to pay.

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You'll love sending these gag gifts out to your friends, and as a Club member you receive special gift-discounts on purchases of six or more gifts for this purpose. And, of course, from time to time we have special bonus gifts that you can buy at special low Club prices that will save you money, and bring you extra laughs.

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## Strike Brings Cement Price Premiums of 8% to 77%; Higher Freight Charges Blamed; 'Gray Market' Denied

**Construction Layoffs Grow; Accord Is Reached at 11 Plants of Ideal Cement**

A WALL STREET JOURNAL News Roundup

The strike-caused pinch on cement and concrete supplies is forcing Eastern and Southern builders to pay premiums ranging from 8% to 77% above their normal costs for these key building materials—when they can get any at all.

But cement suppliers and builders deny this means there's a "gray market" in cement—at least as of now. Most of the extra cost, they say, represents freight charges tacked onto regular selling prices as contractors and concrete makers scout for supplies among faraway cement mills that haven't yet been hit by the walkouts.

Cement plants in Canada, Puerto Rico and the Midwest are the chief emergency supply sources for building projects in metropolitan New York, Boston and the Southeast, while some Pittsburgh plants are shipping cement into the Philadelphia area.

The abnormal shipping patterns are arising as the cement strike goes into its third week. Some 16,000 members of the United Cement, Lime and Gypsum Workers International Union now have left their jobs at nearly half the nation's 170 cement plants.

**Construction Layoffs Spread**

Layoffs of construction workers, which have already begun, are becoming more widespread as the strike drags on. The Building Trades Employers Association in New York said construction will be reduced by 30% in the city and on Long Island today because of the shrinkage of cement supplies, and a union spokesman estimated that 15,000 to 20,000 of the area's 150,000 construction workers have been furloughed. From Philadelphia came reports that many construction workers there may also have to be laid off. The cement strike has halted or delayed construction on highway, school, airport, apartment house and office building projects through the East and South.

In New York, the state Public Works Department reported 83 state highway construction projects of the 304 under way have been curtailed by the cement shortage, according to the Associated Press. An official estimated the figure would rise to 120 by July 22 and to 130 by July 29, if the strikes continue.

The 130 projects, including those wholly or partially shut down, involve a cost of about \$300 million. The official said the department was making a survey to determine where it would be feasible to substitute bituminous concrete for cement.

The weekend brought a settlement of the strike at 11 plants of Denver's Ideal Cement Co., but indications are that much hard bargaining lies ahead before other large companies will agree to new contracts.

**Cement From Canada**

Canadian cement makers are now offering carload lots of the material to contractors and transit-mix concrete operators in Connecticut for over \$6 a 285-pound barrel, with \$2.87 of that price representing freight costs. Pre-strike prices paid by Hartford concrete plants were \$4.51 a barrel, including freight from mills located closer to the area. "Transit-mix" companies mix concrete in their own plants and haul it to the job site in trucks which keep the mixture churning en route.

Concrete prices quoted to New York builders by the transit-mix suppliers will also go up today by \$2 a cubic yard. Previous prices had ranged from \$16 to more than \$20 a cubic yard, depending on strength.

Some cement made in the Pittsburgh area is reaching Philadelphia and New Jersey builders at a reported premium of nearly \$1 a bag.

barrel over what these concerns had been paying for supplies from mills in the nearby—but now strikebound—Lehigh Valley. Builders note, however, that supplies of the Pittsburgh cement seem to be dwindling, and suggest that by next week contractors may have to pay even higher prices for what little they may be able to get.

Typifying the solutions—and problems—of other big builders caught short by the growing scarcity of cement is the experience of W. J. Barney Co. of New York. This concern brought in one carload of bagged cement from Canada to finish a job in New London, Conn. A bag equals 94 pounds, or one-fourth of a barrel. The carload contained 800 bags and cost the company about \$1 a bag above the normal price of \$1.30 to ship and unload.

"But it's worth it," said a Barney official. "A few thousand dollars extra expense is cheaper than shutting down a job. We would have to pay salaries of engineers, supervisors and other key personnel, pay rent for expensive machinery and face higher costs for concrete work during winter weather if delays are met now."

**Who Pays?**

Who pays the higher prices in the end? Builders say it depends on the construction contract. If the contract is a lump-sum arrangement, as in most public works, institutional and large projects, then the contractor pays the tab. Cost-plus or negotiated fee contracts put the burden on the building owner.

Some cement users are also turning to overseas suppliers to keep work going, but this could turn out to be a costly gamble. Importers of West European and Puerto Rican cement, for instance, are promising deliveries in two to four weeks to concrete making firms on the East Coast. But the concrete makers have to weigh the chance that if they contract for these supplies the U. S. cement strike could end while their high-priced shipments are still being hauled across the oceans.

Nevertheless, one Jacksonville, Fla., concrete mixer says he bought some "off-shore" cement about 10 days ago for \$1.12 a bag delivered and has contracted for another shipment from the same source at \$1.20 a bag. This user was paying \$1.04 a bag for domestic cement before the strike.

Some importers also report they are stepping up shipments from abroad. Louis Zinn, president of Port Everglades Steel Co., Port Everglades, Fla., said his firm ordered an extra 20,000 tons from Europe since the beginning of the strike and had another 10,000 tons on order. "The entire 30,000 ton shipment is either afloat or loading and will be here by August 10," Mr. Zinn said.

**Imports Are Boosted**

Ponce Products, Inc., Miami, increased imports of cement from Puerto Rico and the Dominican Republic about 30% since just before the strike began, said Harold J. McCormick, executive vice president. A number of cement users, however, may not be able to turn to alternative sources of supply even if they could afford higher prices, because of the rigid specifications on some building jobs.

For instance, Savin Construction Co., Hartford, Conn., by Wednesday will run out of the cement it's using to pave stretches of the state's new turnpike, but says it isn't buying from other sources. An official explains that cement it might obtain from sources other than its normal suppliers might not match the material it's using now in strength and color characteristics, which are important on strictly-controlled state-government jobs.

The only "profiteering" taking place among sellers of cement is on scarce bags in relatively small lots, builders say. In the New York metropolitan area and in New England bagged cement is not available in any quantity. A spokesman for Hudson Builders Materials, Inc., Jersey City, said lumber yards and hardware stores were understood to be offering their supply at premiums up to double the normal price of \$1.30, but much of this was being taken by home-builders.

**A Problem for Small Outfits**

"We are out of bags and we'd buy all we could from Canada or the midwest," said a spokesman for Hudson, "and pass the extra cost on to the customer. But small outfits like us can't go outside our normal areas and we couldn't boost prices to regular customers now or they would never come back after the shortage."

A Dedham, Mass., contractor said the going price of cement in the last week rose to \$1.80 from \$1.40 a bag but he said the price didn't mean much because there was little being offered.

Reports from Chicago, St. Louis, Cleveland and other Midwestern cities state no price rises are being put into effect since many mills in that area are operating. Woerman Construction Co. of St. Louis is "having no trouble at all" getting all the cement it wants, said President Earl Salveter. "In fact there are complaints by manufacturers and suppliers of an oversupply," he noted.

In Pittsburgh, where three of the four cement producers are organized by the United Steelworkers of America, effects of the shutdowns are minor. And despite the reports that cement from that area is reaching Philadelphia and New Jersey, Pittsburgh contractors say that chances these shipments will get very heavy are slim, even though many offers for cement are coming in at "fancy prices." The contractors note that if the Pittsburgh mills accepted many of these offers they would risk a sympathy walkout by the steel union, which is currently operating under a three-year contract in cement plants.

On the strike front itself Joseph Finnegan, head of the Federal Mediation and Conciliation Service, which has arranged several conferences with union and company officials this week, said in Washington that the dispute "ought to resolve itself within a reasonable

length of time" because of "economic pressures within industry and union circles." Consequently, he said, he saw nothing that would justify White House intervention in the strike now.

The biggest break so far in the strike came Friday when the union and Ideal Cement signed a contract that will send 2,800 workers back to their jobs at 11 of the company's 14 plants with a general 10-cent hourly pay boost. Other benefits, such as an eight-to-12 cent bonus in work turn differentials, add on more than three cents an hour, according to Toney Gallo, secretary-treasurer of the AFL-CIO. Cement Workers, M. O. Matthews, executive vice president of Ideal, had said earlier that the total package cost would be about 18 cents an hour.

But on the same day the Cement Workers struck a Lone Star Cement Corp. mill at Norfolk, Va., the eighth of the company's 16 U. S. plants to be idled. And negotiations to reach a new contract following a new offer by the company Friday, was reported.

Details of the new offer were not disclosed and may not be released for two weeks. The Teamster negotiating team is to convey the new offer to the locals across the country which will vote on it.

The negotiating session was the longest since the talks started, beginning at 10:30 a. m. Thursday and running until 1 a. m. Friday morning.

Talks between Ward's and the Teamsters started in mid-May. The old contract expired June 1. The union originally asked for a 25-

## Montgomery Ward, Teamsters Tentatively Agree on New Contract

By A WALL STREET JOURNAL Staff Reporter

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cent-an-hour wage boost, time-and-a-half for all work beyond 40 hours weekly, revision of arbitration and seniority clauses and improved health, welfare and pension programs.

Washington Square Village

NEW YORK—(AP)—A new residential community covering a six-block area south and east of Washington Square in lower Manhattan was announced. The project will be named "Washington Square Village" and will have 5,994 rooms, providing accommodations for 2,000 families.

In PITTSBURGH, PA.

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BY WALL STREET JOURNAL STAFF REPORTER

CHICAGO - Industrial Enterprises, Inc., New York, plans to acquire United Specialties

## More San Francisco Metal Plants Close in Dispute With Machinists

### Impact of Shutdowns Varies; Five Concerns Reported In Accord With Union

By WALL STREET JOURNAL STAFF REPORTER

SAN FRANCISCO - Machinists union strikes and employer shut downs closed more companies in the metal trades industry in this month.

An employer spokesman said over the week end that 127 plants had been closed, and the number was expected to climb quickly to 135, throwing a total of 7,000 machinists out of work. The union said it knew of only "approximately" 85 plants affected, idling some 6,000 workers.

The labor dispute broke out in master contract negotiations between the California Metal Trades Association, representing 159 concerns in four San Francisco Bay area counties, and eight lodges of the International Association of Machinists with a membership of 8,000.

The Machinists struck a total of nine concerns earlier this month when negotiations over wages and sick leave provisions reached a stalemate. The employers' association last Wednesday called on its members "to close down their operations in support of our fellow members who have been struck by the I.A.M."

#### Larger Companies Close

By the week end the dispute had halted production at a number of larger C.M.T.A. member companies, including Schlage Lock Co. and Ampex Corp., each employing 1,200 members. However, some plants employing other craft unions besides the Machinists continued to operate.

Consolidated Western Steel division of U. S. Steel Corp., with an estimated 40 machinists and 300 boilermakers, said it was unaffected.

In addition, R. R. Grunsky, managing director of the C.M.T.A., said six companies had withdrawn from the employer group in order to stand separately with the Machinists. He said five of these employing a total of 50 workers, mainly tool and die shops, had signed with the Machinists.

The other company, Crown Cork & Seal Co., Inc., Western division, a producer of caps and seals, was still in operation with approximately 350 workers, the union said, although no new contract had been signed.

The employer group does not consider its action a lockout, but is proceeding on the theory that "a strike against one is a strike against all." It has idled Machinists, but told

workers in other craft unions, an estimated 5,000 to 6,000, that work will be provided for them as long as there is no shortage of parts.

Mr. Grunsky said the C.M.T.A. undertook its action after the union's strike "with our eyes wide open." We've always taken the position it's too serious to shut down for one or two days."

Anthony Ballerini, business manager of Machinists Lodge 1327, said: "We came down, but they haven't given a thing." However, Mr. Ballerini said the union has no plans to picket plants that employers closed. It is picketing only the nine plants originally struck by the Machinists.

At issue is the union's demand for a 20-cent to 30-cent an hour wage increase and provision for sick leave. The C.M.T.A. has offered a 6% increase, or approximately 11 cents to 18 cents an hour, in the first year of a two-year contract; a 3% increase in the second year, plus a cost-of-living adjustment. The employers' group has said it does not wish to negotiate on sick leave or other fringe items. The old contract expired July 1.

A C.M.T.A. staff member said that an estimated 10 forge shops in the area employing some 300 workers could be affected if the dispute lasted long enough so "dies get in such shape that they can't be operated."

#### Impact Varies

Comments from spokesmen for individual companies indicated a varying impact of the shutdown.

A spokesman for Federal Pacific Electric Co., which produces power transmission equipment, said that plant production is currently suspended during a two-week vacation period and that to date his company's customers have not felt any shortage. He predicted that 300 to 350 of the company's 550 employees will be affected when they return to work tomorrow.

L. W. Stettner, president of Victor Equipment Co., a producer of welding equipment and alloy rods, said all production is at a standstill and 200 employees are out of work. He estimated that current stocks would hold up for at least a week, but after that some 100 dealers and distributors of the company's products would be affected.

David Golden, vice president of Schlage Lock Co., said "our customers aren't getting their orders. How it will affect sales is the \$64,000 question. It will curtail sales to an extent."

Most of the plants involved in the strike-shutdown are small operators. A C.M.T.A. spokesman said 75% of the companies it represents employ 25 or fewer workers.

John T. Beatty would remain president of United, which would be operated as an "autonomous division" of the Eastern holding company. Mr. Beatty said three of United's directors would be elected to Industrial's board.

The transaction is still subject to approval of United's stockholders. The company expects such stockholders action will be taken in the next six weeks.

"We have had rather poor earnings the last three years, but excellent book value and a nice balance sheet," Mr. Beatty said. United, which makes industrial and automotive air cleaners and screen porches, earned \$3,155 on sales of \$11.6 million. Industrial Enterprises is short of factory floor space, Mr. Beatty said, and United needs development of distribution for its products.

Industrial Enterprises, successor to D. Emil Klein Co., New York, has pursued a policy of diversification and expansion since October, 1956, when it acquired the stock of Fleet Carrier Corp. It acquired the Milwaukee Crane division in April, 1956, and Vincennes Steel Corp. last December.

Industrial Enterprises' sales in 1956 totaled \$14,623,350 on a pro forma basis.

Atlas Powder Plans to Spend \$4 Million on Nitrate Facility

WILMINGTON, Del. - Atlas Powder Co. said it plans to spend about \$4 million to replace nitric acid and ammonium nitrate facilities at its Atlas, Mo., plant.

Ralph K. Gottshall, president, said work would begin immediately on the new units, with completion scheduled for March 1, 1958.

D. J. Carroll Coppa, senior vice president in charge of the company's explosives division, said the company has been "hard pressed" to meet requirements for nitric acid and ammonium nitrate "for some time." The new units, said Mr. Coppa, "not only will enable us to meet our own immediate needs more efficiently, but also will provide additional capacity that will permit us to offer some of our products for sale to industrial customers."

The company did not disclose capacity of the new units, but they will be "self-sustaining," the first of this type to be erected in the country, according to Atlas. In this type of unit, energy released from the burning of ammonia is recovered to provide full power requirements of the system. Chemical & Industrial Corp., Cincinnati, was awarded the contract for construction and design of the acid units.

#### Allied Chemical to Expand

NEW YORK - Allied Chemical & Dye Corp. plans to more than double the capacity of its vinyl chloride plant at Moundsville, W. Va., I. H. Munro, president of the Solvay Process division, said.

Solvay began making vinyl chloride at Moundsville in 1956 and now because of increased consumer demand requires more capacity, Mr. Munro said. Vinyl chloride is used in the production of vinyl plastics which go into film and sheets for draperies, shower curtains, automobile upholstery and for electric insulation.

#### GE Gets Defense Contract

BURLINGTON, Vt. - General Electric Co.'s Missiles and Ordnance Systems Department here said it received a \$7 million contract for the production of the rapid-firing Vulcan automatic cannon for the Lockheed F-104A Starfighter and other jet aircraft.

## House Prepares Study Of Effects of Smoking As Lung Cancer Factor

### Hearings Thursday in Wake of U. S. Health Service Report to Aim At Claim for Cigaret Filters

By WALL STREET JOURNAL STAFF REPORTER

Congress is getting ready to jump into the cigarette-health controversy following a new U. S. Public Health Service warning there is increasing evidence that excessive cigarette smoking helps cause lung cancer.

Chairman Blatnik (D., Minn.) of a House Operations subcommittee said hearings will begin Thursday on the effect of cigarette smoking on health. Medical specialists and the U. S. Surgeon General will testify, he said.

The public is spending an extra \$500,000 daily for filters on cigarettes, Rep. Blatnik said, and "we want to find out if the people are receiving the protection they're paying for." The inquiry, he added, "will be directed toward the advertising of filter cigarettes and claims for their effectiveness—and to what action the Government has taken in protecting the public through enforcement against false and misleading advertising."

#### Hammond to Testify

The first witness scheduled Thursday is Dr. Cuyler Hammond of the American Cancer Society. He reported on the cigarette-lung cancer link to the American Medical Association last month. Dr. Ernest L. Wynder of the Sloan-Kettering Foundation was called for Friday.

Mr. Blatnik said Dr. Clarence Cook Little, head of the Tobacco Industry Research Committee, and Dr. LeRoy R. Burney, U. S. Surgeon General have been invited to testify later along with representatives of the A.M.A., Consumers Union, the tobacco industry, and the Federal Trade Commission.

In the Public Health Service report, Dr. Burney said, "Many independent studies have confirmed beyond reasonable doubt that there is a high degree of statistical association between lung cancer and heavy and prolonged cigarette smoking."

The report brought a reply from Dr. Little, who said in New York that the latest statement "adds nothing new to what has been known about the cause of lung cancer."

In the Health Service's strongest statement so far on the subject, Dr. Burney said: "It is clear that there is an increasing and consistent body of evidence that excessive cigarette smoking is one of the causative factors in lung cancer."

#### Other Causes Noted

However, he added that "it is clear" heavy smoking isn't the only cause of the disease. "Lung cancer occurs among non-smokers, and the incidence of lung cancer among various population groups does not always coincide with the amount of cigarette smoking."

The Surgeon General's latest findings were based on a review of a seven-man study group made public in March and on other recent data.

The Health Service's last previous official statement on the subject, in 1954, held that there was some evidence of a statistical association between smoking and lung cancer but

left open the question of whether there was a cause and effect relationship.

The March report of the study group, appraising 18 independent studies, reported that lung cancer occurs more frequently among cigarette smokers and that there's a direct relationship between the incidence of the disease and the amount smoked. The study group was formed in June, 1956, by units of the Public Health Service in cooperation with the American Cancer Society and the American Heart Association.

The Health Service said the exact reason why heavy smoking allegedly helps cause cancer isn't known, and recommended more research to pin down the factors. It also urged further study of the role of air pollution and other possible causes of lung cancer.

Dr. Burney said more data is needed before the service will take a position on whether smoking has any relationship to heart disease.

## SEC Dropping Proceedings Against Sire Plan, Official

NEW YORK - The Securities and Exchange Commission is dropping proceedings for a temporary restraining order against the Sire Plan, Inc., and its president, Albert Mintzer.

Sire Plan, a New York real-estate investment firm, had been accused by the S.E.C. of selling short-term notes without registering them with the commission.

New York Regional Administrator of the S.E.C., Paul Windels, Jr., said the agency's action was being dropped because Sire Plan had registered its securities with the S.E.C. and had offered a return of purchase price and canceling of the securities which were sold without registration.

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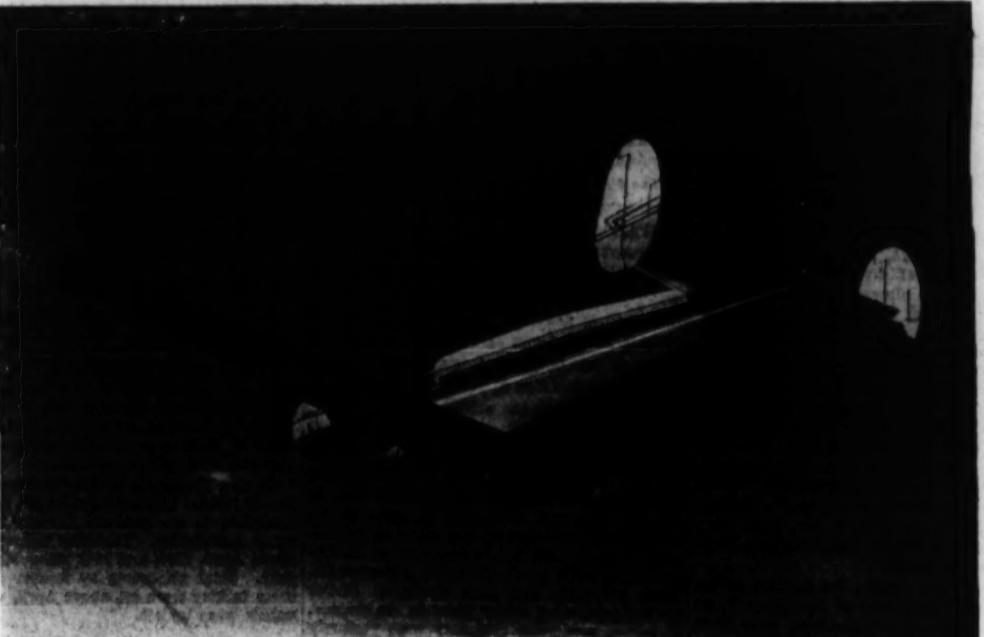
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## Humphrey Is Facing \$16 Billion Refunding Before He Quits Post

Treasury Chief Winds Up 14 Days of Testimony Before Senate Finance Group

By a WALL STREET JOURNAL Staff Reporter

WASHINGTON—George M. Humphrey faces one more major task—refunding nearly \$16 billion of Government securities—before turning over the Treasury to Robert B. Anderson and departing to become chairman of National Steel Corp.

Friday, the retiring Treasury Chief completed 14 days of testimony before the Senate Finance Committee. Today, he starts meeting with leading bankers whose advice he is seeking on terms of the new exchange offering scheduled for announcement next Thursday.

Even before this week's meetings, however, it seemed a foregone conclusion that holders will be offered short-term securities. "How short, I don't know," one official commented. "But it isn't going to be very long." The maturing issues consist of \$12.1 billion of 2% notes issued July 16, 1956, and \$3.8 billion of 2% notes issued February 15, 1955.

The reason officials expect to offer a new short-term issue, of course, is the shortage of long-term money available at prices the Treasury would be willing to pay.

### Talks on Refunding

Mr. Anderson, former Secretary of the Navy and former Deputy Defense Secretary, is participating in the pre-refunding discussions. So is Robert Craft, though to a lesser extent than Mr. Anderson. Mr. Craft is slated to take the Treasury's No. 2 job when Under-Secretary Randolph Burgess resigns within the next few weeks. Mr. Burgess is expected to stay on until after a ten-day meeting of Western finance and economic ministers in Paris. He will represent the U. S. in the Paris sessions, starting August 15.

Mr. Craft is now president of New York's Chase Bank, a Chase Manhattan subsidiary. Washington officials and New York bankers who know Mr. Craft regard him as a top market technician but lacking Mr. Burgess' broad economic background and experience.

Mr. Humphrey's tour before the Finance Committee equals the modern record for marathon testimony. Since he took the stand as the lead-off witness on June 18, he testified during all or part of 14 days—the same number as Army Secretary Stevens during the Army-McCarthy hearings. Mr. Humphrey's testimony and questioning by 15 of the 15 committee members—all but Sen. Douglas (D., Ill.)—covered some 1,500 pages of hearing record.

"Your trials have come to an end," Chairman Byrd (D., Va.) said smilingly as he excused the Treasury official. The hearings wound up with Mr. Humphrey and committee members engaging in repeated rounds of mutual compliments.

### Delay in Hearings

Chairman Byrd wanted to push on with the hearings Monday with Mr. Burgess, but Treasury officials said he would be tied up all week on the refinancing discussions. Mr. Byrd then

asked about the availability of Federal Reserve Board Chairman William McChesney Martin but was told he had commitments through Wednesday.

In commenting on Mr. Humphrey's testimony, Sen. Byrd said he was even more convinced now than when Mr. Humphrey started that "inflation is the most serious internal problem in our country today"—an inflation, he asserted, that "has not yet been clearly" explained. The inflation has not been caused by deficit spending, he noted, because there's been a Federal surplus. And it was not due, he added, to increases in wage above productivity because in the last year these "were not excessive."

"The problem," he said, "is to find the cause of this new inflation and then take the necessary measures to stop it before disaster occurs."

### Answers to Byrd's Questions

Before leaving the witness chair, Mr. Humphrey supplied his answers to questions submitted by Mr. Byrd last month. The Treasury Chief generally did not take as alarmed a view as Sen. Byrd of the Government's situation. For example, he said, he could not agree with the Virginian's assertion that the Government has no reserves to meet even a slight business recession.

Mr. Byrd claimed that a return to 1955 income levels would cost the Government \$13 billion in revenue and shake the country's financial foundations. Mr. Humphrey said he felt the U. S. Government "has a real reserve of credit." He admitted that Government credit is not unlimited, but argued that as long as the Government practices sound monetary fiscal policies "the Government has ample credit and the people will have sufficient confidence in it to meet its needs broad for whatever it properly may require."

Anyhow, the Treasury official said, he doesn't think it worth while to worry about a return to 1955 revenue levels. The population and the economy has been expanding continually since then, he said, and a reduction in Government income to 1955 levels would involve much higher unemployment and deeper cutbacks in production because of the growth in the meantime.

Mr. Humphrey said he was glad the country is worried about inflation, repeating his feeling that "just a little continuous inflation is neither inevitable nor desirable."

As he had done earlier in the hearings, Mr. Humphrey argued that inflationary pressures may already be lessening. "Some of the indexes are leveling off," he said. "Natural reactions may be forming. These approaching changes never are crystal clear but we must watch with the greatest care to revise our flexible policies as soon as and whenever changing conditions warrant."

At several points in his wind-up testimony, Mr. Humphrey emphasized the need for controlling government spending to pave the way for a series of tax cuts. He again said the Administration is working to avoid any new request for even a temporary increase in the Federal debt limit.

### Delay in Hearings

Chairman Byrd wanted to push on with the hearings Monday with Mr. Burgess, but Treasury officials said he would be tied up all week on the refinancing discussions. Mr. Byrd then

## Justice Agency Sees DuPont Ruling Subject to "Very Real Limitations"

By a WALL STREET JOURNAL Staff Reporter

NEW YORK—A top Justice Department official tried to soothe fears the Government intends to make sweeping use of the new antitrust powers set forth in the Supreme Court's DuPont decision.

He said, for one thing, the agency hasn't looked into "recorded stock acquisitions since 1914 to determine whether now—40 or more years later—competition may . . . be substantially lessened." The "backward sweep" of the DuPont ruling, he declared, "is subject to very real limitations."

This assurance came from Robert A. Bicks, first assistant in the Justice Department's Antitrust Division. His speech before the American Bar Association's Antitrust Section was the first official pronouncement by a Government official on the significance of the DuPont ruling.

The High Court last month held that DuPont violated the antitrust laws through its 23% stock ownership in General Motors Corp. The chemical giant bought the G.M. stock in 1917-19. The court's ruling led to fears in business that it would encourage trust busters to attack mergers and stock acquisitions carried out many years ago.

### Many Acquisitions Immune

But Mr. Bicks explained the Government didn't get power to challenge acquisitions of assets until the antitrust laws were amended seven years ago. Pre-1950 asset acquisitions are therefore immune from antitrust prosecutions regardless of the DuPont ruling.

Besides, the official said, "enforcement practicalities may complicate seriously any move . . . against stock or asset acquisitions consummated since 1950." He explained that if the Government waits too long to challenge a merger, "the assets of the merged companies may be so scrambled that effective divestiture may be unfeasible."

Thus, he contended, the Government's DuPont suit "may be more the exception than the rule."

Mr. Bicks nonetheless defended the Government's power to rule against a merger after it is carried out. Indeed, he added, "the great bulk of proceedings filed thus far have involved acquisitions consummated in the more or less recent past."

But he conceded, by implication, that the

courts might not support the Government if it waited too long to act against a merger. The DuPont acquisition of G.M. stock, he noted, did not involve a complete buy-out of one company by another. He said it "may be reasonable . . . to pit at issue the market consequences of a complete merger between two significant competitors appropriately soon after its consummation—or at least much sooner than the 30 years or so involved in the DuPont case."

On the other hand, he said, in the case of a mere stock acquisition the Government might find it necessary to wait for some time before it can tell whether antitrust action is warranted.

### Relevant Market Ruling

Mr. Bicks told the bar group there's still some question about the scope of the High Court's ruling on the so-called "relevant market" in the DuPont case. He said trust busters must consider the DuPont-G.M. relevant market findings in connection with the Supreme Court's earlier decision in a case involving DuPont's cellophane business.

In the earlier case, the justices ruled that cellophane competes with all other flexible wrapping materials, and that DuPont therefore did not have monopoly. But in the DuPont-G.M. case, the court said the relevant market was sales of paints and fabrics only to the automotive industry rather than to industry generally.

Mr. Bicks indicated that the DuPont-G.M. ruling may narrow the relevant market which trust busters must consider in filing an antitrust action. But he also pointed to many factors which must be considered before this doctrine can be fully accepted.

The antitrust official also termed unimportant the Supreme Court's finding that the so-called anti-merger law applies to vertical acquisitions—that is, the acquisition by one company of a concern to which it sells or from which it buys. This part of the decision, he declared, "is not likely to be of any real future significance," because the 1950 antitrust law amendments made clear that the law applies to "all types of mergers and acquisitions, vertical and conglomerate as well as horizontal" as long as they lessen competition or tend to create a monopoly.

Meanwhile, the U. S. Bureau of Mines forecast August demand for Oklahoma crude oil at 565,000 barrels daily, a reduction of 25,000 barrels a day from its July forecast. For August, 1956, the agency forecast demand of 585,000 barrels a day.

The state's production in June and so far in July has run well below permissible production for both months of 560,000 barrels a day. Runs in June averaged 564,828 barrels a day, compared with 566,578 barrels in May and 557,208 barrels in June last year. For the week ended July 6, production averaged 533,827 barrels a day.

At the July market demand hearing, purchasers requested 530,729 barrels of crude daily, 24,780 barrels a day below their June requests.

Besides Sohio Petroleum, Magnolia Petroleum Corp. has curtailed runs because of the refinery strike.

### Sohio Petroleum Plans To Resume Oil Output In 3 Oklahoma Fields

By a WALL STREET JOURNAL Staff Reporter

OKLAHOMA CITY—Sohio Petroleum Co. notified the State Corporation Commission it will resume production of its normal crude oil allowables in three fields in the Coon Creek area of Oklahoma County starting today.

Sohio Petroleum, producing subsidiary of Standard Oil Co. (Ohio), curtailed its output in the state June 6 because of a strike at five refineries of Ohio Standard. Sohio Petroleum said it had contracted to sell its oil from the Coon Creek area to other purchasers.

Earlier, Sohio turned its West Edmund

## Manhattan Olds Dealer To Handle the Edsel Instead

By a WALL STREET JOURNAL Staff Reporter  
NEW YORK—Charles Kreisler, big Manhattan Oldsmobile dealer, is giving up that line to handle Ford Motor Co.'s new Edsel, which will be introduced late this summer.

Mr. Kreisler said he expects to sell 2,000 to 2,500 Edsels the first year. He declared "Edsel is in the price category where it belongs." In New York City, Mr. Kreisler declared, prices will begin "with the lowest-priced Pontiac, at around \$2,750, and go up to \$3,800 to \$4,000."

The nearly 40-year veteran of the auto business said he will have the exclusive dealership for Edsel in Manhattan. He has shared the borough with five other Olds dealers and he said "there is no room for the six of us." Moreover, Mr. Kreisler said, he felt Olds "has priced itself out of the medium price market."

Mr. Kreisler, in newspaper advertising, announced that he is giving up the Olds Agency August 10. His ad offered "181 factory fresh 1957 Oldsmobiles priced for final clearance."

## Pan Am, TWA Granted Routes Over North Pole

President Approves CAB Order Allowing New Air Service From West Coast to Europe

WASHINGTON—President Eisenhower gave the go-ahead to Trans World Airlines and Pan American World Airways to join the race to furnish air service over the top of the world.

The grant of permanent transpolar routes to the two U. S. lines as approved over the week-end by the Chief Executive, T.W.A. said it will start flying the new routes late this fall. Pan Am promised to begin transpolar flights as soon as equipment can be set up at a midway point at Frobisher Bay, in northern Canada.

The Civil Aeronautics Board order, which becomes effective in 90 days, gives both U. S. lines routes out of San Francisco and Los Angeles. Pan Am also won the right to fly out of Portland, Ore., and Seattle until July 4, 1959. Both lines will fly to London and Paris.

Transpolar service was inaugurated two years ago by Scandinavian Airlines System and immediately proved popular with European-bound travelers on the West Coast who did not want to visit the U. S. Eastern Seaboard. Germany's Lufthansa has already been authorized to fly transpolar routes, and British and Australian airlines are thinking about starting across-the-pole flights.

The C.A.B., in recommending that Pan Am and T.W.A. get transpolar routes, noted that the Scandinavian flights have diverted considerable traffic from the two U. S. lines.

"There is every reason to believe that other foreign air carriers will soon join in the race to tap this growing and lucrative air market," the board declared.

T.W.A. and Pan Am, the C.A.B. said, both stand to lose revenue unless allowed to compete for transpolar traffic.

## SILICONE NEWS

DOW CORNING

SILICONE NEWS

Silicones up life-expectancy of motor insulation

More churning astern with silicone-protected outboard

Silicones get a "well done" from oven buyers

### HOT COMPETITIVE CLIMATE

In today's increasingly competitive markets, many manufacturers are calling on Dow Corning Silicones to supply an extra product value. Here are several new examples of how alert marketers are using silicones to improve performance.

**MOTOR MAKES BIG NEWS**—A new line of standard dc motors, the Life-Line "H" series, has just been announced by Westinghouse Electric. The insulation in these motors has 10 times the life of insulation in other motors in their class. The new motors provide much faster acceleration and reversal, and promise big reductions in maintenance!

**SMOOTH PUTT**—The outboard motors that used to be "putt-putt" have grown up into powerful engines. The newest and strongest production outboard carries a whopping 60 hp rating . . . enough to drive a small car! This motor, the "Mark 75," is produced by Kiekhaefer Corporation, makers of the Mercury line.

To help keep the

## Claims Court Rules AEC Doesn't Have to Buy Ore That Can't Be Processed

By a WALL STREET JOURNAL Staff Reporter  
WASHINGTON—The Court of Claims ruled the Atomic Energy Commission, despite its offer to buy uranium ore of a designated quality, doesn't have to purchase the ore unless the uranium is recoverable.

In

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**Pacific Cement Says Net So Far in 1957 Trails '56**

By a WALL STREET JOURNAL Staff Reporter

**SAN FRANCISCO**—Net income of Pacific Cement & Aggregates, Inc., so far this year is trailing last year's figure, R. G. Trevorrow, secretary-treasurer, stated. But "if the last half goes the way we think it will, we will earn somewhere around \$1.50 to \$1.60 a share," he predicted.

This would put total net income at about \$1,800,000 for 1957. In 1956, Pacific Cement reported earnings of \$1,531,438 or \$1.27 a share.

"Sales are running close to last year," Mr. Trevorrow said. "The six month volume is roughly comparable with a year ago" or \$12 million. Reduced sales resulting from a slump in home construction have been matched by increased sales in other types of construction, he noted.

"The drop in home building will cost us \$5 million in sales this year," figures the general sales manager, F. R. Coyle.

"We will still do better than last year," he said. "About \$30 million" to \$30 million, he estimated. "But we would have done \$33 million or \$34 million if home building had stayed up." Pacific Cement reported sales of \$26,827,593 in 1956.

The cement and building materials producer reported a net loss of \$55,000 for the first three months, compared with a loss of \$2,003 for the first quarter 1956. But "April and May earnings are equal with last year's," he noted.

This year Pacific Cement increased capacity of its Santa Cruz, Calif., cement plant by 250,000 barrels to a total annual capacity of 2,500,000 barrels. Capacity was raised by increasing operating efficiencies, Mr. Trevorrow said.

## Washington at Work

### White House

**Transpolar Routes:** President Eisenhower approved the grant of new air routes across the North Pole between the U. S. West Coast and Europe for Pan American World Airways and Trans World Airlines.

**Veterans' Estates:** The House rejected a measure (H.R. 72) to limit the number of relatives who could claim that part of estates of mentally incompetent veterans resulting from accrued Government benefit payments.

### Congress

**Wheat Imports:** A Senate Agriculture subcommittee approved a bill (S. 866) to make imported wheat deemed unfit for human consumption but sold for seed subject to the same import regulations as wheat shipped in for human use.

**Humane Slaughter:** A Senate Agriculture subcommittee voted to set up a special commission to study methods of humane slaughter of livestock.

**Oil Futures:** A Senate Agriculture subcommittee approved a bill to prohibit trading in oil futures.

**Trucking:** Sen. Schoeppel (R., Kans.) at a Senate Small Business Committee hearing on alleged concentration in the trucking industry, continued his criticism of a report on the industry prepared by two outside economists.

**Procurement:** Several Navy Department officials told a Senate Small Business subcommittee how their procurement practices affect small business.

**Labor:** Rep. McConnell (R., Pa.), the top Republican member of the House Labor Committee, announced he would resign from Congress September 1, 1957. His resignation makes Rep. Gwin (R., N.Y.) the top G.O.P. member of the labor group.

**Federal Courts:** Officials of the Justice Department and the Federal Courts testified before a House Judiciary subcommittee in support of bills to cut down the number of cases that can be brought in Federal courts.

**Airplanes:** Officials of the Boeing Airplane Co. gave a House Armed Services subcommittee various documents supporting their contention that they were not negligent in policing an Air Force subcontract to the Ford Motor Co.

**Postal Pay:** Backers of a bill to boost the pay of postal employees some \$320 million a year amass the required number of signatures on a petition to force the bill to the House floor for a vote, despite the opposition of House leaders to the measure.

**Unemployment Compensation:** The House Ways and Means Committee approved a bill to extend the unemployment compensation program to Puerto Rico.

**Appropriations:** The Senate Appropriations Committee approved a bill appropriating \$284.5 million, \$69.4 million above the House figure and \$8.3 million above the budget figure, for reclamation and Army Engineers public works projects in the current fiscal year.

**Delinquent Taxes:** The House Ways and Means Committee agreed in principle on a bill to provide tighter controls over employers who withhold income and social security taxes from workers' pay and then fail to pay the money over to the Government.

**Airplane Engines:** The House Armed Services investigating subcommittee announced aircraft engine manufacturers have filed with the group detailed financial reports which will be released publicly when the companies testify at hearings starting next Thursday on the industry's profits.

**Federal-State Relations:** A House Government Operations subcommittee released a report compiling the views of state and local officials on intergovernmental relations. Most of the states favored more, not less, Federal aid.

**Financial Hearings:** The Senate Finance Committee wound up questioning of Treasury Secretary Humphrey, its lead-off witness in the committee's financial probe.

**Subscription Television:** House Judiciary Committee Chairman Cellar (D., N.Y.) wrote the Federal Communications Commission urging that the commission let Congress pass on the question of authorizing subscription television tests.

**Government Pay:** Civil Service Commission Chairman Ellsworth testified before the House Post Office Committee in opposition to pending bills to raise the pay of Government workers.

**Smoking:** The U.S. Public Health Service reported there is increasing evidence excessive cigarette smoking helps cause lung cancer.

### Bureaus

**India Loans:** The World Bank agreed to loan India \$90 million to help modernize the

### This Week in Washington

**BANKING LAWS:** The House Banking Committee begins hearings today on a bill, already passed by the Senate, overhauling and "streamlining" the nation's banking laws. Federal Reserve Board Chairman Martin was called as the first witness.

**HELLS CANYON:** The House Interior Committee on Wednesday may act on a bill authorizing the Government to build a high dam on the Hells Canyon stretch of the Snake River between Idaho and Oregon. The Senate has passed the bill.

**CIVIL RIGHTS:** The Senate will continue debate on a motion to take up a bill to guarantee voting rights to Negroes. A vote is expected this week.

**ADMINISTERED PRICES:** The Senate Anti-Monopoly subcommittee resumes hearings on Tuesday into the use by industry of so-called administered prices.

**FOREIGN AID:** The House today begins debate on a \$3.2 billion aid authorization measure. The Senate Appropriations Committee on Wednesday will begin meeting in closed session to consider foreign aid funds requests.

**SCHOOL CONSTRUCTION:** The House Rules Committee continues hearings tomorrow on whether to clear the Federal Aid for schools Bill for House action.

**SECURITIES:** The Senate Banking Committee meets tomorrow to consider behind closed doors a bill to require registration of more securities information.

**MEAT PACKERS:** The House Agriculture Committee today continues hearings on bills to give the Federal Trade Commission jurisdiction over trade practices of meat packers.

**WELFARE FUNDS:** The House Labor Committee continues hearings tomorrow on legislation to give the Government more power to regulate welfare and pension plans.

**CIGARET ADVERTISING:** A House Government Operations subcommittee begins hearings Thursday on Government policing of cigarette advertising.

**SPORTS HEARINGS:** A House Judiciary subcommittee on Wednesday will resume its hearings on proposals to bring professional sports under the anti-trust laws.

**SHIP TRADE-INS:** The House Merchant Marine Committee tomorrow will hear Commerce Secretary Weeks discuss the nation's ship trade-in, transfer and reserve fleet policies.

**DEBATE:** A Senate Special Rules subcommittee tomorrow will consider proposed changes in the Senate's rule permitting the members to limit debate by a two-thirds vote.

**FARM EXPORTS:** The Senate Agriculture Committee resumes hearings tomorrow on overseas sales of United States crop surpluses.

**uranium:** The Court of Claims ruled the Atomic Energy Commission, despite its offer to buy uranium ore of a designated quality, need not buy ore if the uranium is not recoverable.

**Bofer Gums:** The Court of Claims ruled the U.S. had no right to export Bofer anti-aircraft guns produced under licenses from a Swedish firm.

**Atomic Licenses:** The Atomic Energy Commission gave Aerojet-General Nucleonics, San Ramon, Calif., licenses for the operation of three of the company's low-power research reactors.

**Chevrolet Parts:** The Federal Trade Commission cleared General Motors Corp. of charges it had misused the term "genuine Chevrolet parts."

**Farm Surplus:** The Agriculture Department reported it gave away 2.8 billion pounds of food, which cost the Government \$483.1 million, during the fiscal year ended June 30. This compared with 2 billion pounds costing \$357.1 million a year before.

**Sulphur Contract:** The Interior Department approved Humble Oil and Refining Co.'s plan to turn over sulphur-rich submerged lands in the Gulf of Mexico to Freeport Sulphur Co.

**Export-Import Bank:** The Export-Import Bank reported it authorized 182 credits totaling \$1,068,000,000 to 36 countries for the purchase of U.S. exports during the fiscal year that ended June 30.

**Aluminum:** The Government ordered total set-asides of aluminum for defense producers of 128 million pounds in the fourth quarter, or 17 million pounds less than the amount reserved in the current period.

**Atomic Information:** The United States and Australia reached agreement on terms for the exchange of atomic information for mutual defense purposes, the State Department announced.

**Curtiss-Wright Develops Fuel To Re-Light Jet Flame-Outs**

**NEW YORK**—Curtiss-Wright Corp. announced it has successfully conducted tests with fuels which ignite on contact with air and which can re-light jet engines which have "flamed-out" at high altitude.

The company conducted the test with what are known as "pyrophoric" fuels at the Aircraft Engine Laboratory of the Navy's Air Bureau at Philadelphia. Curtiss-Wright said the results of simulated altitude tests showed that the discharge of a small quantity of the spontaneously-igniting fuels in the engine combustion chamber results in successful ignition at altitudes up to 52,000 feet, the test limit of the Philadelphia facility. Successful ignition at even higher altitudes is believed possible, according to the company.

The pyrophoric fuels are composed of a mixture of aluminum trimethyl and aluminum triethyl and have been under development and evaluation by Curtiss-Wright for several years.

### ACF Freight Car Output

**NEW YORK**—In the first four months this year 6,557 freight cars were produced by the American Car & Foundry division of ACF Industries, Inc., almost 86% more than the 3,532 the similar period last year. S. M. Felton division president, said that "with a substantial backlog of orders we look forward to a continuation of high freight car production for the balance of the year."

## Canada-to-California

### \$330 Million Pipeline Planned by Pacific Gas

Ltd., of Edmonton, which are gas distributing utilities in Alberta, for purchases, sales and transmission of gas. Mr. Sutherland's announcement said, P.G.&E. has been importing gas from Texas and New Mexico since 1950.

### Paper Output Declines

**NEW YORK**—Paper production in the nation, exclusive of mills turning out newspaper only, fell to 82.7% of capacity in the holiday week ended July 6, an increase of 1,742,000 barrels over the week-earlier total, the Interior Department said.

In a separate report, the agency predicted the U. S. will consume or export an average of 6,700,000 barrels of crude daily in August, less than the 6,975,000-barrel daily average predicted for July.

Last week's rise in crude oil stocks, the agency said, included an increase of 1,512,000 barrels in stocks of domestic crude and a rise of 230,000 barrels in supplies of imported crude.

### Nation's Crude Oil Stocks

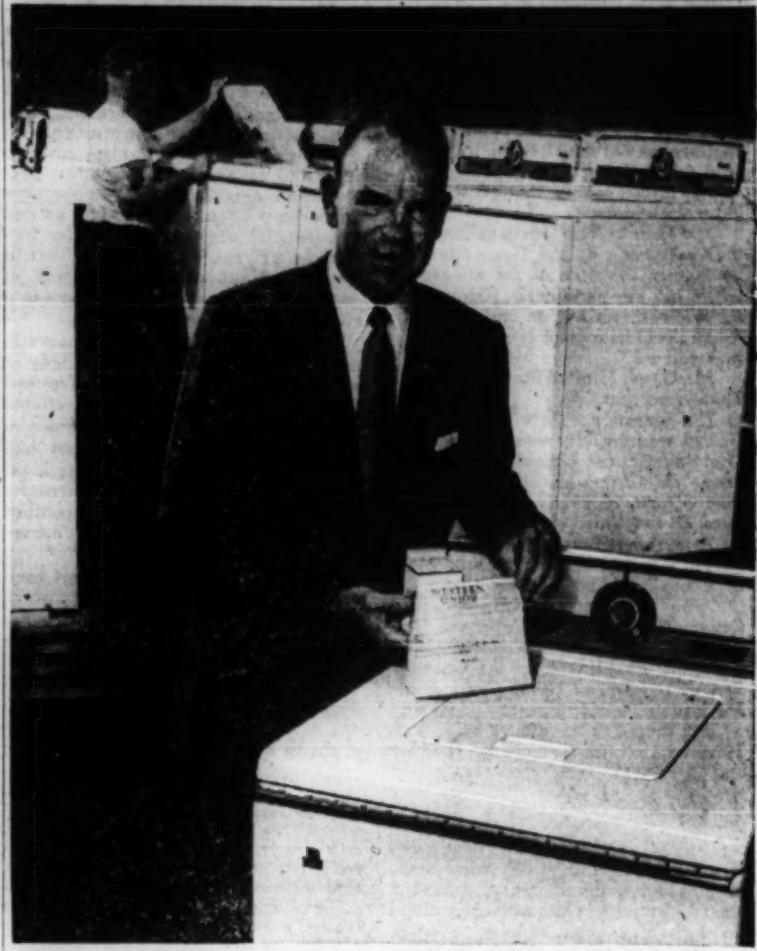
**WASHINGTON**—The nation's crude oil stocks climbed to 279,025,000 barrels in the week ended July 6, an increase of 1,742,000 barrels over the week-earlier total, the Interior Department said.

In a separate report, the agency predicted the U. S. will consume or export an average of 6,700,000 barrels of crude daily in August, less than the 6,975,000-barrel daily average predicted for July.

Last week's rise in crude oil stocks, the agency said, included an increase of 1,512,000 barrels in stocks of domestic crude and a rise of 230,000 barrels in supplies of imported crude.

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things—like sales reports, shipping arrangements, price changes and order information. It's fast and puts you in writing for accuracy."

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During the past six months Levinson has been undergoing a major expansion program designed to meet the increasing demands of its customers for plain and fabricated steel.

New warehousing facilities have been acquired in McKees Rocks, Pa., and the company is in the process of adding new, modern equipment for cutting and fabricating. All of this adds up to an even better job for Levinson customers.

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## REVIEW and OUTLOOK

### Remedies for Muddled Rights

In its unanimous decision in the Girard Case, the United States Supreme Court did not only turn over the soldier to answer to a Japanese court on charges of manslaughter arising from the death of a woman on an Army firing range. The Court did some other things as well.

By its ruling, the Supreme Court again placed treaties and executive agreements above the individual rights of citizens that are embodied in the United States Constitution.

And it ruled that the United States Government has the power to waive military jurisdiction and turn its servicemen over to foreign courts whether they are on duty or not.

During the hearings before Judge McGarragh of the U. S. District Court of the District of Columbia about the middle of last month, the following colloquy took place:

The Court: The Court understands the concession by the Government to be that at the time of the alleged offense by the petitioner (Girard), it arose out of an act or omission done in the performance of official duty. Is that correct?

Mr. Gasch (United States Attorney): That is correct.

The question, therefore, whether Girard was on duty was not at issue. The Government conceded that point. Judge McGarragh therefore ruled that Girard, since he was on official duty at the time, should be tried by an Army court martial as provided for by the Constitution and as authorized by Congress. And he ruled that:

"The proposed delivery of petitioner (Girard) to the Japanese Government would violate rights of the petitioner guaranteed by the Constitution of the United States." So Judge McGarragh said, No.

But the Supreme Court said, Yes. It ruled that the Government had a

right to turn over Girard to the Japanese inasmuch as the status of forces agreement permitted the Government to do so in cases of "particular importance." And the Court ruled that since the agreement was patterned after the N.A.T.O. status of forces agreements and was part of the Security Treaty with Japan, ratified by the U. S. Senate, Girard did not have the Constitutional rights Judge McGarragh said he had.

There are fortunately, some remedies for this muddle. One is to make clear that a serviceman on duty is answerable only to a court martial, and that waivers of individual rights out of "sympathetic consideration", for the desires of other governments to try Americans ought to be stricken from the agreements. For other governments may ask such waivers for domestic political reasons, just as this Government may grant them for foreign policy reasons. It did just that in this case. Neither reason, we think, is good enough when an American's rights are at issue.

But if amending the agreements is not enough, there is the remedy of amending the Constitution to safeguard Constitutional rights from the effects of treaties and executive agreements.

As it is, the Supreme Court has

plainly said where the Constitutional rights invoked by Judge McGarragh stand when they come into conflict with treaties and executive agreements.

For a treaty and an agreement gave

the Government the right to dispose of Girard's rights as it willed and to use Girard as an instrument of our foreign policy.

And that is more power than any

treaty ought to give the Government, and more power than the Government ought to have.

### Every Day is School Day

If there's anything rarer than a day in June it was a June day when some state, county, municipality, township, school district or state authority didn't do something about building schools.

June bond sales, the Investment Bankers Association of America statistical bulletin reveals, amounted to \$134 million for elementary and secondary schools. The sum brought the total school bonds sold in the first six months to \$1.2 billion, "an all-time first half record."

The \$134 million school bonds sold in June amounted to something more than one-third of the total municipal bonds sold for all purposes. Further, taxpayers across the nation will vote to tax themselves to provide their own

needs at elections scheduled during the next five months to the tune of some \$502 million of which \$296 million will go exclusively for education. This means school rooms.

Now no one should be so sanguine as to expect that these facts and figures will change the minds of those people in Washington who keep telling us that the country's school systems will fall apart unless the Federal Government extends \$2 billion in aid.

But we pass this information along as further proof that the general public is facing up to its obligations despite all claims of proponents of Federal school aid (and control) that the responsibility to provide schools isn't being met on the local level.

### How Not to Cure Inflation

Treasury Secretary Humphrey has been throwing some penetrating darts at the managed economy advocates. In his marathon testimony before the Senate Finance Committee, he has among other things stated opposition to the price-wage controls proposed by some as a cure for inflation.

"I wouldn't be in favor of putting them back," he said. "I think the American people are better judges than some bureaucrats in Washington of what they can properly buy, what they can properly pay and what they can properly owe."

The trouble with a managed economy is that it just doesn't work very well. People tend to make their own judgments anyway as to what they can buy, pay and owe no matter what the bureaucrat says. Even in wartime, when personal objectives are more easily bent to the master plan, there is difficulty in getting people to act as the plan says they should.

As a cure for inflation, wage-price controls fail because they don't get to the root of the trouble. They treat only symptoms of inflation.

### Personnel Notes—Management

Dwight M. Cochran was named executive vice president of this oil and gas producer.

Bucyrus-Erie Co. (South Milwaukee, Wis.)—Robert G. Allen was elected a vice president of this manufacturer of excavation and drill equipment.

General Telephone Corp. (New York)—Carl R. Brorein, president of Peninsular Telephone Co., Tampa, Fla., and John B. Prizer, vice president and general counsel of the Pennsylvania Railroad Co., have been elected directors.

Radio Corporation of America (New York)—Charles M. Odorizzi was elected as director.

United Carr-Fastener Corp. (Cambridge, Mass.)—Gunnar A. Johnson was elected president of Columbia Fastener Co., Chicago, a subsidiary.

Northern Natural Gas Co. (Omaha)—Fred C. Koch was named a director.

H. J. Heinz Co. (Pittsburgh)—Lewis A. Lapham, president of Grace Line, Inc., was named a director.

National Broadcasting Co. (New York)—Robert E. Kintner and Emanuel (Manie) Sacks were elected directors.

Lehn & Fink Products Corp. (Bloomfield, N. J.)—James W. Newman was named treasurer of this producer of disinfectants, cosmetics, and pharmaceuticals.

Paramount Pictures Corp. (New York)—George Weltner was named vice president in charge of world wide distribution of pictures.

National Telefilm Associates, Inc. (New York)—Eric H. Haight was appointed treasurer of this film distributing company.

American Motors (Detroit)—Joseph W. Eskridge was named vice president and general manager of the aeronautical products division.

### Who's News

Commerce and Industry

Standard Oil Co. (Cleveland, Ohio)—Richard S. Stewart was named vice president, production.

Fischer and Porter Co. (Hoboken, Pa.)—Edgar F. Rulon was named a director and vice president, finance, of this maker of precision instrumentation systems.

Radio Corporation of America (New York)—Charles M. Odorizzi was elected as director.

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American Motors (Detroit)—Joseph W. Eskridge was named vice president and general manager of the aeronautical products division.

Kern County Land Co. (San Francisco)—

## Letters

### To the Editor

#### The Ever Mindful Court

Editor, The Wall Street Journal:

Comments relative to the recent opinions of our Supreme Court dealing with the subject of individual rights and national security have become highly controversial.

As I understand it, we have a government of laws and not a government of men; a constitutional representative republic; a government of divided powers—the executive, the legislative and the judicial. Let's keep it so, for only by so doing are we going to be able to stop that trend toward totalitarianism that is too prevalent in many lands in the world today.

The instant situation in my opinion as a lawyer, an ex-serviceman and as one who is affiliated with that political party that, in the main, is conservative in its politics, with reference to social, economic and political problems, does not present any serious problem of our national security.

Our Supreme Court has, it would appear, rendered a distinct service to our Constitution and our liberties. An unbiased study of all the facts and circumstances, together with the statutory provisions applicable thereto, upon which the Court has based its opinions substantiates, in my humble judgment, the position taken by the Supreme Court.

The powers of the F.B.I., Congressional investigations, prosecutions under the Smith Act, and the Government's powers to discharge those in governmental service whom it holds for one reason or another, have not been removed.

The Supreme Court, in deciding these cases, appears to have followed certain definite points of law inherent and fundamental in our Federal Constitution and our Bill of Rights ever mindful of our national security.

ALVIN C. BOHM

Edwardsville, Ill.

#### Tribute to Adlai

Editor, The Wall Street Journal:

Whatever became of Adlai Stevenson who only eight months ago was being called nitwit, idiot, addle-brained and the like because he was so astinine as to suggest a ban on H-bombs and who, no doubt, would be so stupid as to perhaps propose disarmament? I dare say he might have even gone so far as to intimate we should give our atoms away.

HELEN F. FOX

Bronx, N. Y.

#### Broke

Editor, The Wall Street Journal:

Regarding property taxes and the recent article by your staff reporter, Lee Silberman, I should like to drop the following comments:

It was very interesting reading about "the case of George M" from Livingston, N. J., but my reaction to the case is—"He thinks he has problems? He should live in Washington Township, Morris County."

The writer lives near the top of the south side of the Schooley Mountain range in this township, overlooking Long Valley which is the seat for local government. There are approximately 1,400 taxpayers. Washington Township underwent a revaluation during the last quarter of 1956. For the year 1956 was assessed at \$1,500, less \$500 for veterans' deduction, at a rate of \$1.01 per \$100 of assessed valuation. In 1957 I am assessed for \$8,000, less \$500 at a rate of \$7.89 per \$100. What does this represent? Nothing less than a 200% tax increase (the Washington Township budget increased 115%). George M's 26% increase (which I calculate to be 18%) in my estimation is digestible.

Here is the part that really hurts: What do I get for my tax money? Practically nothing. I have 360 feet of dirt road frontage and maintenance of the road has gotten worse with increased taxes. I provide for my own water, sewage and garbage disposal. I do not receive police protection and if a fire broke out, the house would be leveled before the volunteer fire department arrived. Schooling for my children (and I have five, three of school age)? Perhaps. This is debatable since I send my children to private school by choice rather than assignment. Other than schools, the only return I have for my tax money is the use of the county library and that is 20 miles away.

In line with Mr. Silberman's article, there is a "For Sale" sign hanging on a post just off our unmaintained road. But more than that, if one looks real close at the sign he will probably see the draped form of the "broken spirit" of —

M. R. MULLIGAN

Long Valley, N. J.

#### Farm Gravy Train

Editor, The Wall Street Journal:

In his letter to the Journal (July 8), Rep. Harold D. Cooley states that "a large portion of agriculture is in a desperate condition." Why does Congressman Cooley omit all mention of rich profiteers of the farm subsidy program?

We read that one cotton farmer alone will collect more than \$200,000 from the government this year for not planting cotton. By what logic does Congressman Cooley justify this legalized looting of the tax-till?

Can a plant-owner collect \$200,000 a year from government for producing nothing? Can a landlord collect \$200,000 a year for letting his property stand vacant?

No decent American begrudges help to hardship cases. But nothing but contempt is generated when Congressmen deliberately use hardship cases to divert attention from rich profiteers of the farm gravy train.

MABEL G. BLISS

Cleveland Hts., Ohio

#### Let Supply and Demand Rule

Editor, The Wall Street Journal:

Do away with the farm parity price, let supply and demand rule as it did in the good old days. It would be a good thing to have some of the people of this country realize that some day we have to come to an end of this foolish spiral of wages and prices and dependence on the government.

I only wish more people could read the wonderful editorials which you write every day. I, myself, pass many of them on to my friends and business associates. Keep up the good work and let these lawmakers, including the Supreme Court, know how honest people feel about our wonderful country being ruined by the men in Washington.

DAINGERFIELD L. ASHTON  
Alexandria, Va.

## "Little England"

### In This Post-Suez Era, Britain Pays More Attention To Domestic Problems, Less to Its Global Role

BY WILLIAM HENRY CHAMBERLIN

ONDON—The Suez crisis of last November represents a watershed in British foreign and domestic policy. If it did not cause, it certainly speeded up what is a now marked trend toward a more self-contained, less imperial conception of Britain's role in the world.

In retrospect Suez to most Britons seems a rather sorry and ignominious affair. Perhaps half the people regret that there was a landing in Egypt at all; the other half that this landing was not pressed to a victorious conclusion. But one of the few bright spots in this gloomy picture is that the closing of the Suez Canal for several months did not inflict any irreparable or even deep wound on the precariously balanced British economy.

From the temporary inconvenience of gasoline rationing, now ended, there was little economic harm from the Suez closing and the conclusion is being drawn that perhaps the Canal is not quite such a vital and indispensable "lifeline" as had been thought. Big tankers for the Cape of Good Hope route and a proposed new pipeline through Turkey may help lessen future dependence on the nationalized Canal.

Britain seems to have drawn two lessons from the Suez experience. First, it can no longer carry out unpaid the kind of punitive local actions which would have been taken as a matter of course in the nineteenth century, and even in the period between the two great wars. Second, the United States cannot be depended on to back up British action in all circumstances and showed itself willing to vote for United Nations resolutions condemning British action in Egypt.

Getting Out From Under

Now that the first reactions of hurt, indignation and frustration have subsided, certain logical conclusions are being drawn from these harsh lessons. The trend, and this is reflected both in defense and in economic policies, is toward a reduced Britain, with fewer imperial burdens and responsibilities. Thus there is less concern now than there was a few years ago about the state of British gold and dollar reserves, although these are admittedly too low for complete comfort.

There is also less feeling that overseas supplies of such raw materials as tin and rubber are all-important, because it is possible to manufacture synthetic rubber and there are acceptable substitutes for tin. It seemed in the first years after World War II that Britain was building up a cozy protected market throughout the large trading area represented by the sterling bloc, with the discriminations which exchange control imposed on imports from the dollar area and other parts of the world.

Now less emphasis is placed on this possibility. Countries in the sterling bloc, like India, which want to buy German and U. S. goods are finding means of doing this. Commonwealth countries like Australia and New Zealand, eager to find assured markets for wool and other raw materials in Japan, are reducing the tariff preference formerly given to British textiles.

Pointing in the same direction is the new defense policy. It concentrates on giving Britain such a potential nuclear sting that it is hoped aggression will be deterred, while drastically cutting British arms in other ways. Another sign of retreat is the steady transformation of the old Empire into the new Commonwealth.

It might be added that much will depend on Britain's success in dealing with certain difficult problems raised by what is sometimes called over-full employment and the welfare state, and especially with the creeping inflation that has advanced farther here than in the U. S. At the same time, the creation of a Britain stronger through economic health and solvency and with more modest aims in foreign policy is the goal of the Macmillan cabinet which took over after the Suez fiasco.

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## Libbey-Owens-Ford Second Period Net Fell Slightly Below '56 Mark

Half-Year Profits Off 5%, Sales  
Trailed Last Year by 12%; Drop  
In Housing, Auto Orders Cited

By a WALL STREET JOURNAL Staff Reporter

TOLEDO—Libbey-Owens-Ford Glass Co.'s indicated second quarter net earnings slipped slightly to \$6,037,237 from the \$6,168,979 posted in the like 1956 period.

Net for the six months ended June 30 fell 5% to \$14,279,561 or \$2.74 a share, compared with last year's half-year earnings of \$15,084,466, the company said.

The company, in releasing six-month sales figures for the first time, said volume for the period trailed last year's half-year total by 12%—\$118,732,929 to \$135,246,916 in 1956.

Three reasons cited by the company for the decline in sales during the first six months are: "Fewer housing starts, reduced automotive glass orders, and continued invasion of domestic markets by foreign glass from low-wage Asiatic and European countries."

Sales of plate glass for commercial construction contributed "importantly" to glass sales, the company said. It added that demands for mirror and automotive glass continued at approximately the same levels of prior months this year.

The company has recently introduced a twin-ground, gray polished plate glass, designed for curtain wall construction. The glass is heat absorbent, the company said.

LIBBEY-OWENS-FORD GLASS CO. reports for six months ended June 30:

	1957	1956	1955
Earned per share	\$2.74	\$2.90	\$3.85
Sales	118,732,929	135,246,916	135,246,916
Net before income taxes	33,756,561	35,949,463	45,632,633
Federal income taxes	8,378,581	9,864,466	11,968,979
Net income	24,377,981	31,084,466	33,663,653
Capital shares	5,219,174	5,210,321	5,197,807

For the quarter ended March 31, last, Libbey-Owens-Ford reported net income of \$8,241,324, equal to 81.58 a share, compared with net income of \$8,915,486, or 81.71 a share, in the like 1956 period.

## General Instrument

GENERAL INSTRUMENT CORP. reports for quarter ended May 31:

	1957	1956	1955
Earned per share	\$0.06	\$0.11	\$0.18
Sales	7,042,565	\$5,668,677	5,668,677
Net income after taxes	1,373,273	1,373,273	1,373,273

a-Includes sales and earnings of Micromic Electronics Manufacturing Corp. and T. S. Farley, Ltd. of Canada, both acquired after the close of the first 1956 quarter. b-After preferred dividends and based on 1,373,273 shares of Radio Receptor Co., Inc., in which General Instrument acquired a controlling interest in April, 1957. Net loss.

Martin H. Benedek, chairman of General Instrument, said current projections for the first fiscal six months, based on orders in hand, indicate "continuing progress and substantially higher earnings than for the first half of 1956." The firm's fiscal year ends next February 28.

He said the rise in earnings for the first fiscal quarter, compared with the year-earlier period, reflected the company's "wider" diversification in industrial and military electronics, through acquisitions and new product development. General Instrument's diversification program is providing "a broader product cushion against fluctuations of the television and radio market," he said, "while allowing the company to maintain its position as a major supplier of components in the field of 'entertainment' electronics."

During the second half of 1957, he said, the company looks for increased sales for its new TV tuners, deflection components and other products.

## Hercules Powder

Hercules Powder Co. reports that net earnings available for the common stock in the quarter ended June 30, 1957, were equal to 88 cents a share, compared with 63 cents in the June quarter of 1956.

For the six months ended June 30, last, the company earned \$1.03 a common share, as compared with \$1.18 for the first half of 1956.

Net sales and operating revenues for the six month period were \$124,752,266 compared with \$120,433,778 in the like 1956 period.

## Allied Chemical & Dye

ALLIED CHEMICAL & DYE CORP. reports for quarter ended June 30:

	1957	1956	1955
Earned per share	\$0.22	\$0.18	\$0.18
Sales and operating revs.	187,629,116	175,481,762	175,481,762
Gross income from oper.	22,132,168	23,224,009	23,224,009
Divs., int. and misc. income	1,171,148	1,089,231	1,089,231
Total income	23,303,316	24,313,240	24,313,240
Interest	1,623,215	1,623,215	1,623,215
Federal income taxes	9,399,702	9,708,805	9,708,805
Net income	12,080,399	12,781,240	12,781,240
Capital shares	9,921,161	9,912,363	9,912,363

Six months ended June 30:

Earned per share \$0.23 \$0.23

Sales and oper. revs. 349,483,113 341,484,450

Gross income fr. oper. 40,408,711 47,129,269

Divs., int. and misc. inc. 2,205,983 2,205,983

Total income 43,613,693 49,330,532

Interest 3,646,420 3,646,420

Federal income taxes 16,878,668 20,165,000

Net income 22,047,328 23,519,092

a-Adjusted for 3% stock dividend in December 1956.

**Aero Equipment**

ACRO EQUIPMENT CORP. reports for six months ended May 31:

	1957	1956
Earned per common share	\$1.22	\$1.22
Net before income taxes	1,378,779	1,310,900
Net income after income taxes	655,750	562,329

a-As reported by company after allowing for preferred dividends.

The company's results for the first six months of 1957 were affected by a five-week strike at the Cleveland plant from May 1 to June 5.

## Standard Packaging

STANDARD PACKAGING CORP. Consolidated report for the 24 weeks ended June 16:

	1957	1956
Earned per com. share	\$0.68	\$0.47
Net sales	17,586,779	15,310,900
Net before income taxes	5,335,116	4,961,173
Income taxes	2,915,690	2,345,340
Net income	2,420,426	1,615,933
Common shares	863,967	879,850

b-After preferred dividends on preferred stock then outstanding.

c-Net sales provision for bad debts.

For the six months ended March 31, 1957, Piper Aircraft reported net income of \$1,592,100, equal to \$1.00 a common share, compared with net income of \$1,065,493, or \$0.27 a common share, in the like 1956 period.

## Piper Aircraft

PIPER AIRCRAFT CORP. reports for the nine months ended June 30:

	1957	1956
Earned per common share	\$2.74	\$2.95
Net sales	21,358,100	18,862,900
Net before income taxes	5,335,116	4,961,173
Income taxes	2,915,690	2,345,340
Net income	2,420,426	1,615,933
Common shares	863,967	879,850

b-After preferred dividends on preferred stock then outstanding.

c-Net sales provision for bad debts.

For the six months ended June 30, 1957, Piper Aircraft reported net income of \$1,592,100, equal to \$1.00 a common share, compared with net income of \$1,065,493, or \$0.27 a common share, in the like 1956 period.

## Continental Illinois National

CONTINENTAL ILLINOIS NATIONAL BANK & TRUST CO. (Chicago): Principal items from the bank's condition statement as of June 30, 1957, compare as follows (000 omitted):

	June 30, '57	June 30, '56
Total resources	\$5,560,633	\$3,822,953
Loans and discounts	1,168,567	1,065,740
U.S. Government securities	2,023,120	1,781,120
Deposits	2,953,344	2,359,597
Cap. surp. & undiv. profs	237,938	228,657

## Cooper-Bessemer Says First Half Earnings Were Near Estimates

By a WALL STREET JOURNAL Staff Reporter

MT. VERNON, Ohio—While final figures for Cooper-Bessemer Corp.'s first half will not be available for about two weeks, indications are that earlier predictions will be attained. E. L. Miller, president, said.

Earlier this year the company estimated sales for the six months ended June 30 would rise to \$36 million with earnings between \$2.25 and \$2.50 a share on stock presently outstanding. In the first half of 1956, Cooper-Bessemer had sales of \$28,430,000 and net equal to \$1.31.

The company entered the second quarter with a \$37,200,000 backlog of orders on its books but continued heavy production on a six-day week with some Sunday work cut the backlog to around \$29 million at the end of June. This month, however, backlog has risen slightly, Mr. Miller said.

With pressure of the backlog eased, operations in the last half will be slowed, with overtime work reduced. This should result in a drop of about 8% in shipments in the final six months of the year, compared with the first half. Earnings, however, are expected to maintain the rate of the first half since costs will decline with the reduction of overtime.

As a result, for the year Cooper-Bessemer

is expected to ring up record sales of nearly \$70 million and net between \$4.50 and \$5 a share. In 1956, Cooper-Bessemer had record sales in excess of \$61 million and net of about \$3.72 a share, based on present shares.

Cooper-Bessemer is a major producer of large gasoline and diesel engines and compressors, principally for the oil, gas and chemical industries.

Muskogee Co.

MUSKOGEE CO. reports for the six months ended June 30:



## Fibre Fray: Nylon, Rayon Makers Step Up Scrap for Tire Market

Continued From First Page

nylon competitive threat was illustrated vividly by last year's bitter price battle. This started in March, when Du Pont cut the price of its nylon tire yarn sharply to \$1.30 a pound from the previous \$1.48 as part of a general revision of nylon prices. The rayon yarn makers immediately went on a price-slashing spree to preserve their low-price edge—and took painful slices out of their profits in doing so. By the end of the year rayon yarn prices had tumbled nine cents a pound—and in the process American Viscose's 1956 profits fell 40% below 1955, Industrial Rayon's 57%, and American Enka's 67%. Prices of nylon and rayon so far this year have been stable.

### Nylon Gains

Here is the way the battle map now looks: Tire makers will turn out about 110 million tires this year. Nylon's high resistance to heat and impact already have gained for the fibre almost all of the one-million-unit-a-year aircraft and off-the-road construction machinery tire market. DuPont predicts its fibre this year will also go into about 35% of the estimated 15 million truck and bus tires produced. In the replacement passenger car tire market, estimated at about 98 million tires this year, DuPont claims about 40% for nylon.

But nylon will go into only a tiny share of the tires that serve as original equipment on Detroit's assembly line creations. About 99% of these 32 million tires will use rayon cords this year.

DuPont officials already are claiming privately that rayon will be out of the running in five or six years. Openly, DuPont spokesman at the company's Wilmington, Del., headquarters will only go so far as to predict, "Nylon will continue to penetrate the tire cord market next year."

### Rayon Will Stay

But Harry L. Dalton, vice chairman of Aviso, declares: "Rayon tire cord will be around for a hell of a long time."

Both sides are fencing for the car owner's acceptance of their fibres.

Aviso, for example, will kick off a consumer ad campaign for rayon cords in the July 20 issue of the Saturday Evening Post. It also is publicizing, with Ford Motor Co., the Tournament of Thrills, an auto stunt driving show which began a nationwide tour Memorial Day at the Rose Bowl. The show gives both Ford cars and rayon cord tires nice plugs.

Other cord producers like American Enka, Bausnit and Cleveland's Industrial Rayon Corp. are pitching dollars into an expanded ad and promotional campaign of the American Rayon Institute, a trade group for the rayon industry.

### Rayonier Attacks

Rayonier, Inc., of New York, a major supplier of raw materials to rayon producers, has cut loose with an attack on nylon. Take, for example, the ad run in several national magazines such as Time, last month.

It started off: "Let's get some facts straight about tire cord and your safety." It went on: "You've heard a lot of chatter lately about tire cord. You may not have heard the facts." It proceeded to remind readers that over 99% of all land speed records have been set on rayon cord tires and over 99% of all 1957 model cars are equipped with rayon tires at the factory. The ad also takes a slap at "the other tire cord that is premium priced," referring to its "thumping flat spots."

Pleased with the response to its ad, Rayonier has decided to rerun it in two magazines next month, says a spokesman in New York.

### Chemstrand and Children

But in the same issue of Time in which Rayonier's ad appeared was a full page color spread by Chemstrand showing a cowboy-suited child framed by a tire. The ad said: "When your child's safety rides on a tire, you're safer with rayon. With precision cargo like this you want your car to be as safe as possible. Shift to rayon cord tires."

Rayon men are yelping about the Chemstrand ad. "That hit below the belt," blurts

## Chicago Area Faces Big Cleanup Job in Wake Of Torrential Rains

### Eleven Dead as Flood Waters Damage Warehouses, Plants, Basements, Utility Lines

CHICAGO—This area will face a Monday morning after digging out today in the wake of disruptive floods caused by torrential rainfall Friday night.

No official figure was available as to the total dollar value of the damages to basement freezers and furnaces, plant machinery and equipment or warehoused goods. Some waterlogged equipment will need replacement. Eleven persons were killed.

Today emergency pumps are expected to continue their week-end chore of draining flooded basements, but car-truck movement and electric and telephone service should be restored to normal.

The Illinois Bell Telephone Co. puts its loss at \$1 million or more in worker overtime costs, repairs to water-doused equipment and replacement of ruined cables and machinery. At one point some 33,000 phones were out in the area and more than 2,000 employees were called in to restore service. Normal service was expected by mid-afternoon yesterday.

Hard-hit by lack of communications was Midway Airport, where the phone company installed 11 switchboards to replace those put out of commission by flood waters. Many of the thousands of passengers stranded at the field took advantage of free radio-telephone service provided by the company.

Mobile units also patrolled the suburb of Niles, allowing emergency calls to be made from the town which was cut off until Sunday afternoon.

United Air Lines said at least some of its flights would be operating on schedule this morning, but the major problem of handling communications on reservations is expected to continue for a short time.

Commonwealth Edison Co., electric utility serving the city, and its subsidiary, Public Service Co., reported up to 50,000 homes without power, some for many hours. The utilities had 900 of their own employees plus 250 from contractors in Milwaukee, Indianapolis, and other cities answering 1,600 trouble calls.

Most of the calls were due to wind down-

## Aircraft Stretch-Out: Overtime Ban Pinches Workers' Budgets

Continued From First Page

an official of one rayon company. "After all, we know very few passenger car tire blowouts are due to failure of rayon cord." It's no secret, either, that Aviso is irritated with the Chemstrand ad, despite its 50% ownership of Chemstrand. Monsanto Chemical owns the other half.

How do tire makers—who make both—feel about the two fibres? Basically, they like rayon's toughness and lightness. Undoubtedly, they aver, it makes a safer tire, though they admit the added safety margin is not needed by most motorists. But they are keeping an ear cocked to the demands of their sales departments.

"Nylon has a tremendous sales appeal," says Harry Schrank, executive vice president of Seiberling Rubber Co. in Akron.

### DuPont Pushes Nylon

Few in the rubber industry doubt rayon's gains have, to a large extent, been tied to an aggressive promotional campaign by DuPont, which spent more than \$1 million advertising rayon cord last year. This year, DuPont spokesman says, the ad outlays "probably will be a bit higher." There have been instances of tire dealers advertising tires made of "DuPont nylon," trading on the name of DuPont as well as nylon.

At least one manufacturer, General Tire & Rubber Co., has struck out on its own, insisting that its prime tire cord is "Nylon." It quizzed closely, General Tire executives acknowledge Nygen is nylon plus the company's special processing technique. The name Nygen is apparently catching on judging by the remark of a Cleveland Cadillac owner. Asked whether he has ever used nylon tires, he replies: "Oh, I have something even better than nylon—it's called 'Nygen'."

And three months ago Goodyear came out with a nylon tire priced nearly 20% below any nylon tire it previously had offered.

### Second Line Tires

The new Goodyear tire is what tire men call a "second line," or second grade tire. Second, even third and fourth line tires are nothing new in razzle-dazzle tire merchandising. It's a way of driving tire prices down to smaller-sized pocketbooks. It means downgrading the quality of a tire by such moves as using fewer cords per tire.

And Firestone is pushing its new "500" tire made of nylon. It claims the tire is ideal for the growing number of motorists who do a lot of wheeling along turnpikes and other high speed roads. And most major tire producers, including Goodrich and U. S. Rubber, are spending sizable amounts on advertising higher-priced "premium" tires—most of which are made with nylon.

Detroit is still the big roadblock for the nylon bandwagon. So far, auto's officialdom has been tough on the subject. But nylon has a foothold in the auto center with tires that are optional, extra-cost equipment on some cars and standard equipment on a few vehicles.

### Chrysler Receptive

So far, Chrysler Corp. has been the most receptive to nylon's overtures. Its high-priced Le Baron and the Plymouth Fury, both limited production models, come originally equipped with nylon. All De Sotos and several other Chrysler models offer nylon optionally and buyers of about 5% of all Chryslers are choosing the nylon tires, says a Chrysler official.

Nylon tires are also standard on the Nash Rambler Rebel and optional on Lincolns, Mercurys and most American Motors cars. Ford division of Ford Motor and General Motors are the big holdouts. But DuPont people predict the optional nylon tires will spread on the 1958 models.

"Nylon has a fighting chance on the '58 models and I think it likely will become standard for many 1960 models," opines lanky Victor Holt, Jr., a sales vice president for Goodyear. But W. F. Billingsley, chief of tire development for B. F. Goodrich, believes "there's still a big battle ahead for nylon and rayon for some time." He warns that improved rayon tire cords coming from laboratories "may make the going tougher for nylon."

Buy Bonds, Not Radials

Youthful Mike Gallicchio, a partner in Mike 'N' Bob's record shop in Inglewood, notes, "We're getting the same number of people in here, but those who were spending \$10 to \$15 at a time are now spending \$5 and \$6. And those who spent \$5 to \$6 before the overtime cutbacks are now spending only a dollar or two. A lot of people tell us that it's really hurt them to live on 40 hours a week pay instead of 52 hours. We haven't sold nearly as many radios this season as we did last year at this time. People are buying bongo drums—a \$10 item. But you have to sell three bongos to make up for one radio."

Collections are anywhere from a week to 30 days slow, and sales are off about 10% from last year," says C. A. Ross, mustached manager of Joy's, a gift and jewelry store on Inglewood's Market Street. "People were buying gifts, expecting to pay for them out of their overtime earnings. Now that they're falling back on their regular pay checks, they come in and browse, but they don't buy."

Sales at A. B. & S. sporting goods in Inglewood are down 15% to 20% from a year ago, complains Albert W. Bogen, partner. "This is a luxury business. If people don't have extra money they don't buy from us."

But elimination of overtime hasn't greatly affected collection and loan activities, according to lenders. A Bank of America official who handles small loans in the bank's Inglewood office reports a few requests to allow borrowers more time to pay back their obligations. However, loan delinquencies are unchanged from a year ago.

Further pay check shrinkage due to stretch-outs or cancellations of contracts would bite deeper into the Southern California economy. This would be especially true if cutbacks are extensive enough to affect the area's many smaller concerns who subcontract defense equipment. Subcontractors also fear new competitors.

### Bids From Big Firms

"What we're concerned with is the stretch-out, which may cause big firms to compete with small companies for subcontracting jobs," says John Marschak, executive director of the Strategic Industries Association, a trade group representing 112 defense subcontractors.

"In the past 48 hours two fairly large firms have bid on small subcontracts and have succeeded in taking them away from the small outfitts."

The president of a Los Angeles company that produces components for the aircraft industry adds: "By the end of the year I expect our aircraft division to be closed out; I see no new work coming up for it."

To bolster individuals' earnings, unions are planning to ask for pay increases aimed at making up for lost overtime pay.

"Very likely we'll bargain for salary increases next spring to offset the overtime cuts," says Ritchie Payne, business representative for the Aircraft Chapter, an engineers' union representing about a third of Lockheed's 3,400 engineers in the California division at Burbank.

A spokesman for Machinist Lodge 727, which represents 16,000 Lockheed workers, adds, "We're going to gear our sights to higher wages to offset these cutbacks." The pattern of demands won't be set until fall, but "it'll be a sizable chunk," the spokesman adds.

### Bearings Holders Back Purchase

CLEVELAND—Shareholders of Bearings, Inc., distributor of bearing products, approved the proposed acquisition of Dixie Bearings, Inc.

Under terms of the acquisition, Dixie will receive 600,000 common shares of Bearings, Inc., for distribution to Dixie shareholders. Dixie has 243,200 shares outstanding.

Dixie, which distributes bearings in Tennessee, North Carolina, Georgia and Louisiana, had sales of better than \$4,150,000 in the 11 month fiscal period ended May 31, 1957. In the same period, Bearings, Inc., had sales of over \$21,500,000.

Joseph M. Bruening, president of the Cleve-

## Warren Brothers Had 5-Month Loss of \$61,279; Cites Southwest Rains

Continued From First Page

BOSTON—Rains in the Southwest during the first five months of 1957 and their adverse effect on construction activities resulted in Warren Brothers Co. turning in a loss for that period of \$61,279, compared with a profit of \$201,246 a year ago. W. L. Kirkland, president, stated in a letter to stockholders.

Gross revenue for work completed was \$16,315,000, compared with \$16,896,000 a year ago.

Mr. Kirkland said that since operations cannot be carried on in Northern areas during the winter months, activities are principally limited to the Southern states during the early months of each year and such operations are usually profitable.

With the opening of the construction sea-

son in other parts of the country, he said work has been started and is proceeding satisfactorily, but did not reach sufficient volume before the close of the first five months to offset the effects of the bad weather in the Southwest.

Mr. Kirkland said it is not possible at this time to determine the overall effect of the unsatisfactory results of the first five months on earnings for the full year.

He said a substantial volume of new work is being obtained and uncompleted work of consolidated and unconsolidated companies on June 1 was \$32,899,000, compared with \$28,525,000 a year previous.

### More Aluminum Ordered Set Aside for Defense

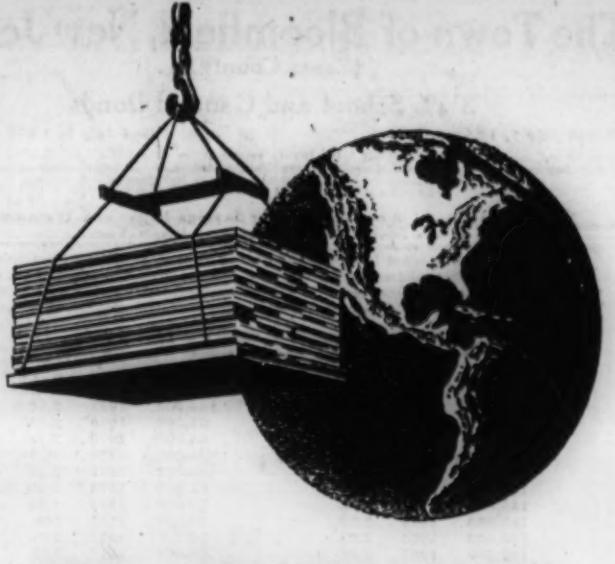
WASHINGTON—The Government ordered an additional 16.3 million pounds of aluminum set aside for defense production in the fourth quarter.

The Commerce Department's business and Defense Services Administration ordered this quantity reserved for the production of civilian-type items needed by the armed services. The allocation is in addition to the 111.7 million pounds which the Office of Defense Mobilization last week ordered set aside for the production

of purely military items in the October-December period.

Total set-asides of the metal, will be 128 million pounds, or 17 million pounds less than the amount reserved in the current period. The decrease reflects lowered military and Atomic Energy Commission requirements for the metal, the B.D.S.A. said.

Total October - December set-asides, the B.D.S.A. said, will represent about 12% of the aluminum available to the U. S. from domestic and foreign sources, compared with 14% in the current quarter.



## COOS BAY...LUMBER SHIPPER TO THE WORLD

More than 600,000,000 board feet of lumber and logs left the deepwater port of Coos Bay, Oregon, last year destined for markets as widely separated as Japan and Ireland. Timber is big industry in the Pacific Northwest and Coos Bay is the world's top lumber shipping port. From this Oregon harbor alone enough lumber and logs are shipped annually to build 42,000 six-room houses. Our Industrial Development Department will supply detailed information about business and industrial opportunities in the rapidly-developing Pacific Northwest.

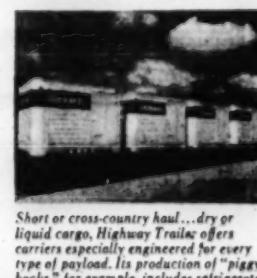
## PACIFIC POWER & LIGHT COMPANY

PUBLIC SERVICE BUILDING, PORTLAND 4, OREGON

To better serve the growth of the region, Pacific Power has invested \$150,000,000 in power development in the past ten years. The current construction program calls for the expenditure of an additional \$157,000,000.



Commercial Trailers  
Trailerized Tanks  
Dry Bulk Trailers  
Public Utility Bodies  
Earth Moving Machines  
Pole & Cable Reel Trailers  
Winches  
Power Take-Offs  
Service Accessories

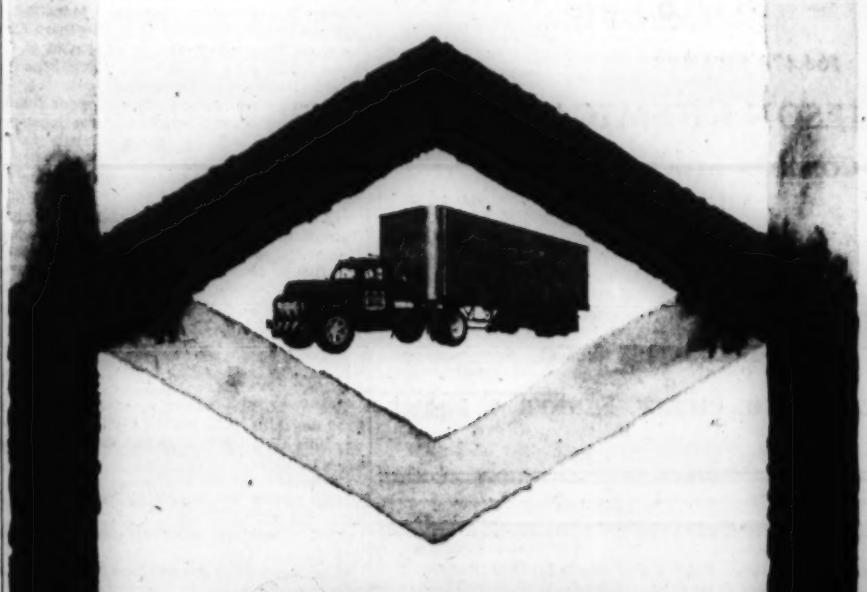


Short or cross-country haul...dry or liquid cargo, Highway Trailers offers carriers especially engineered for every type of payload. For example, its production of "piggy-backs," for example, includes refrigerated units for shipment of fresh meat from packing plant to store by road and rail without re-handling.



Design improvement is a constant theme as Highway keeps pace with industry's needs. One recent innovation: this new dry bulk trailer for pulverized materials, that can be automatically unloaded by self-contained conveyors.

## THIS TOO IS MERRITT-CHAPMAN & SCOTT



## HIGHWAY TRAILER CO.

EDDINGTON, WISCONSIN

"Keep Your Eye on Highway Trailers... The Most Important Feature Is Performance"



Highway also serves the nation's public utilities industry. A wide variety of utility bodies (shown), earth moving machines and related equipment are designed and produced for the construction and maintenance of utility lines. Highway also recently introduced a self-contained mobile telephone exchange, capable of providing service for as many as 600 lines.

YOUR CONFIDENCE IS JUSTIFIED WHERE THIS FLAG FLIES

MERRITT-CHAPMAN & SCOTT CORPORATION

FOUNDED IN 1860 NEW YORK N. Y.

## Two New Air Reduction Plants

CALVERT CITY, Ky.—Air Reduction Co., Inc.'s chemical division broke ground for two new plants here, to be completed early next year. The company said one plant will have an annual production capacity of 3,000,000 pounds of methyl butynol and methyl pentynol, used in the preparation of flavors, perfumes and pharmaceuticals; the other plant will have a 2,000,000-pound yearly capacity of vinyl stearate, used in making emulsions and plastics.

New Issue Interest exempt from all present Federal Income Taxes

\$2,377,000

The Town of Bloomfield, New Jersey  
(Essex County)

## 3 1/4% School and General Bonds

Due July 1, 1958 to 1977

Principal and semi-annual interest (January 1 and July 1) payable at the office of The National Newark and Essex Banking Company of Newark, Bloomfield Center Office, Bloomfield, N. J. Coupon bonds of \$1,000 denomination; registrable as to principal only or as to both principal and interest, non-interest bearing.

Legal Investments, in our opinion, for Savings Banks and Trust Funds in the States of New Jersey and New York.

These bonds, to be issued for School and General purposes, in the opinion of counsel, will constitute valid and legally binding obligations of the Town of Bloomfield, New Jersey, payable both principal and interest from ad valorem taxes to be levied upon all the taxable property therein, without limitation as to rate or amount.

## AMOUNTS, MATURITIES, YIELDS AND PRICES

Amount	Due	Yield	Amount	Due	Yield
\$165,000	1958	2.40%	\$65,000	1968	3.10%
165,000	1959	2.50	65,000	1969	3.15
165,000	1960	2.60	65,000	1970	3.15
165,000	1961	2.70	65,000	1971	3.15
165,000	1962	2.80	65,000	1972	3.20
165,000	1963	2.90	65,000	1973	3.20
165,000	1964	2.95	70,000	1974	3.20
180,000	1965	3.00	70,000	1975	100
190,000	1966	3.05	70,000	1976	100
190,000	1967	3.10	62,000	1977	100

(Accrued interest to be added)

These Bonds are offered when, as and if issued and received by us and subject to approval of legality by Messrs. Haskins, Daniell &amp; Wood, New York, N. Y.

Phelps, Fenn &amp; Co.

Shields &amp; Company

Shearson, Hammill &amp; Co.

Robert Garrett &amp; Sons

New York, July 15, 1957

Blair &amp; Co.

Incorporated

F. S. Smithers &amp; Co.

A. Webster Dougherty &amp; Co.

\$1,740,000

## Minneapolis, St. Paul &amp; Sault Ste. Marie Railroad Equipment Trust, Series D

4 1/4% Equipment Trust Certificates  
(Philadelphia Plan)

To mature \$55,000 semi-annually February 1, 1958 to August 1, 1972, inclusive

To be guaranteed unconditionally as to payment of par value and dividends by endorsement by Minneapolis, St. Paul &amp; Sault Ste. Marie Railroad Company

## MATURITIES AND YIELDS

February 1958	4.00%	February 1959	4.75%
August 1958	4.50	August 1959-72	4.85

Issuance and sale of these Certificates are subject to authorization by Interstate Commerce Commission. The Offering Circular may be obtained in any State in which this announcement is circulated from only such of the undersigned and other dealers as may lawfully offer these securities in such State.

HALSEY, STUART &amp; CO. INC.

DICK &amp; MERLE-SMITH

FREEMAN &amp; COMPANY

R. W. PRESSPRICH &amp; CO.

McMASTER HUTCHINSON &amp; CO.

July 12, 1957

All of these shares having been sold, this advertisement appears as a matter of record only.

NOT A NEW ISSUE

July 15, 1957

164,478 SHARES

OLIN MATHIESON CHEMICAL CORP.  
COMMON STOCK

## EASTMAN DILLON, UNION SECURITIES &amp; CO.

## MERRILL LYNCH, PIERCE, FENNER &amp; BEANE

This announcement is neither an offer to sell nor a solicitation of an offer to buy these securities.

The offer is made only by the Prospectus.

NEW ISSUE

July 15, 1957

16,630 Shares

## SONOCO PRODUCTS COMPANY

Common Stock  
(Par Value \$5 per Share)

Price \$26.75 per Share

Copies of the Prospectus may be obtained from only such of the undersigned as may lawfully offer these securities in this State.

R. S. Dickson & Company  
Incorporated

G. H. Crawford Company, Inc.

## Financing Business

"Continuous" Offering  
Of CIT Financial Corp.'s  
Debt Issue Starts Today

Sale of \$100 Million 4 3/4% Debentures to Run Until April 1, 1959, Unless Sold Out or Terminated

By THE WALL STREET JOURNAL Staff Reporter  
NEW YORK—C.I.T. Financial Corp.'s \$100 million of debentures go on sale beginning today.

The 4 3/4% securities are available in seven series, with annual maturities ranging from July 1, 1960, through July 1, 1966. They are priced to yield from 4.75% to 4.89% depending on maturity.

Salomon Bros. and Hutzler has been named as agent in the offering, which "will be a continuous one running at least until April 1, 1959," unless sold out earlier or terminated at the company's option.

The debentures of the seven series offered today will not be redeemable prior to maturity. The debentures of any particular series which may be issued and sold is flexible, subject only to limitation of the \$100 million over all authorization, a C.I.T. spokesman explained.

The offering is an unusual one, since it is customary for major securities issues to be marketed at one time through a firm purchase commitment by a group of underwriters.

C.I.T. said it intends to make available maturities suited to the preferences of purchasers and to vary from time to time the series offered and the offering prices based on market conditions and its requirements for funds.

The company also reserves the right to vary the price at which any of the series debentures are being offered, to terminate the offering of any of all series, and to add or substitute series debentures of other series which may be established in the future.

C.I.T. Financial claims to be the nation's largest consumer and industrial finance company. It will use the proceeds from the debentures—for which a Securities and Exchange Commission registration became effective July 12—primarily to refund other debt and to supply additional working funds to its subsidiaries.

Debt Issues Totaling  
\$196,950,000 Dominate  
This Week's Offerings

A WALL STREET JOURNAL News Roundup

Financing by corporations through public sale of new securities will be at a fairly active pace this week.

On tap are seven corporate debt offerings totaling \$196,950,000, along with a fairly sizable volume of common stock financing. There will be no new preferred stock offerings of size.

The new debt and common stock offerings will funnel into a market that is again almost completely free of unusual corporate securities.

Last week's principal issues went well at retail and investors were nibbling away at the remnants of staler items on underwriters' shelves.

The week's total for new issues of publicly-offered corporate debt securities was \$123,390,000. New common stock issues came close to the \$17 million mark and there were no important new preferred stock offerings.

This week's large financing total includes C.I.T. Financial Corp.'s \$100 million of debentures. These securities are to be offered by Salomon Bros. & Hutzler on a "best efforts" basis, without underwriting. They will be available to investors at any time over a period of months, unless sold earlier.

Down for sale to the public through negotiation with underwriters are Inland Steel Co.'s \$50 million of bonds, expected Wednesday via Kuhn, Loeb & Co. and associates.

Debt issues destined for public bidding include: \$16 million of bonds by Texas Electric Service Co. and \$8 million of notes by Chicago & North Western Railway, both set for today.

Also \$15 million of bonds by Jersey Central Power & Light Co., tomorrow; \$4,850,000 of equipment certificates by Great Northern Railway, on Wednesday, and \$3 million of equipment certificates by Chicago, Rock Island & Pacific Railway, on Thursday.

The week's increased common stock financing will be featured by Minneapolis-Honeywell Regulator Co.'s 333-352-share offering to its stockholders. Eastman Dillon, Union Securities & Co. is named as managing underwriter for this big transaction.

Common offerings slated for public sale through negotiation with underwriters include Oxford Paper Co.'s 175,000 shares and Tracerlab, Inc.'s 200,000 shares, both expected on Wednesday. The Oxford Paper issue will be managed by Blyth & Co., Inc., and the Tracerlab transaction by Lee Higginson Corp.

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Commercial paper sold through dealers four to six months maturity was 3 1/2% to 4 1/4%.

Commercial paper placed directly by the major finance companies one to nine months maturity was 3 1/2% to 4%.

Federal funds bid at 3%.

Call money lent dealers on bills and Treasury was quoted at 4%.

Call money on stock exchange collateral was 4 1/4% to 4 1/2%.

Commercial paper sold through dealers four to six months maturity was 3 1/2% to 4 1/4%.

Commercial paper placed directly by the major finance companies one to nine months maturity was 3 1/2% to 4%.

Sanders Associates Filing

WASHINGTON—Sanders Associates, Inc., put 110,000 shares of class A common stock in registration with the Securities and Exchange Commission.

The Nashua, N. H., company proposes to offer 100,000 of the shares publicly through a group headed by Kidder, Peabody & Co. The remaining 10,000 shares would be offered to employees. Proceeds from the sale would be used to reduce an outstanding bank loan and add to working capital.

## Number of GE Holders Rises

NEW YORK—General Electric Co. said the number of its shareholders reached a record 378,371—an increase of 15,140 from a year earlier. Over half the individual G.E. shareholders are women and about two-thirds of the holders have less than 100 shares. Shareholders with less than 100 shares have been increasing in proportion to the total, the company said.

This announcement is neither an offer to sell nor a solicitation of an offer to buy these securities. The offer is made only by the Prospectus.

## The City of Montréal

(Canada)

\$7,200,000 5 1/4% Sinking Fund Debentures for Local Improvements

Due February 15, 1957

\$17,800,000 5 1/4% Sinking Fund Debentures for Public Works

Due March 1, 1957

The Debentures of each issue will be dated July 1, 1957 and principal and interest of each issue will be payable in The City of New York, New York in United States Dollars.

Price for each issue 97%  
(and accrued interest)

Copies of the Prospectus may be obtained in any State only from such of the several Purchasers, including the undersigned, as may lawfully offer the securities in such State.

Lehman Brothers	White, Weld & Co.	Eastman Dillon, Union Securities & Co.	Blyth & Co., Inc.
Bear, Stearns & Co.	Drexel & Co.	Equitable Securities Corporation	Stone & Webster Securities Corporation
L. G. Beaubien & Co. Limited		Credit Interprovincial, Limitée	Dick & Merle-Smith
Hallgarten & Co.	Paine, Webber, Jackson & Curtis	R. W. Pressprich & Co.	Reynolds & Co.
Baxter & Company	A. G. Becker & Co. Incorporated	Dawson, Hannaford Inc.	Francis I. duPont & Co.
Equiseec Canada Inc.	Nesbitt, Thomson and Company, Inc.	E. F. Hutton & Company	Alex. Brown & Sons
First of Michigan Corporation	W. E. Hutton & Co.	Wm. E. Pollock & Co., Inc.	Schwabacher & Co.

July 15, 1957.

## ANOTHER OFFICE TO SERVE EXPANDING CLIENTELE

## LIONEL D. EDIE &amp; CO., INC.

Investment Counselors—Economic Consultants

ANNOUNCE  
THE APPOINTMENT OF

## C. EDWARD ACK

We maintain markets in  
Securities  
of the  
United States  
Government

The  
FIRST BOSTON  
CORPORATION

15 BROAD STREET - NEW YORK 5, N.Y.  
Telephone Digby 4-1515

MEET  
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Ask Canada's First Bank to arrange your business introductions north of the border. With 700 branches coast-to-coast, this two-billion-dollar organization has nation-wide connections in every branch of Canadian industry. Address our nearest U.S. office or Head Office, Montreal.

MY BANK  
New York: 54 Wall St.  
San Francisco: 333 California St.  
Chicago: Special Representative's  
Office, 141 West Jackson Blvd.

BANK OF  
MONTREAL  
Canada's First Bank  
100 Branches Across Canada  
RESOURCES EXCEED \$2,700,000,000

**Bond Markets**

Top Grade Corporates  
Close Firm on Week;  
Treasuries Also Gain

By a WALL STREET JOURNAL Staff Reporter  
NEW YORK—The bond market backed and filled through an indecisive week, with spotty buying often followed by precautionary selling from dealers.

Investment grade corporates were mostly firm on the week, but the group was mixed, with individual issues fluctuating a point or so above or below average market performance.

"When a retail order came in for a corporate bond last week," a trader explained, "the dealer usually had to go out into the market and buy bonds to satisfy the order. That way, the quotes got two boosts—one on the customer's inquiry and another on the dealer's because of the thin market and low dealer inventories." This observer felt that, "although buyers seem satisfied with the current prices, traders are wary, and they are trying to keep their shelves clean."

Some dealers closed long-term U. S. Government bonds at generally firmer prices for the week. Victory Loan 2 1/2s of December, 1967-72 were 87 18-32 bid, up 4-32 Friday and up 6-32 on the week. The 40-year 3s gained 12-32 on the week and 4-32 Friday, at 89 4-32 bid. The 3 1/2s of June, 1978-83, up 2-32 Friday, lost 6-32 on the week's trading at 94 18-32 bid.

The "Vics" yielded 3.55%, the 3 1/2s returned 3.58%, and the 40-year 3s offered investors 3.52%.

Municipal dealers, fortified by their low-inventory positions, bid briskly on new issues. These new issues generally sold well, led by the big Port of New York issue, but some traders still were keeping stocks low to reflect a cautious attitude towards the market at present levels. Revenue bonds were lower on the week.

Rails again showed little interest, with prices steady to a bit easier.

Convertible issues were generally firm, with large variations in some specialities.

Foreign bonds spent a fairly quiet week, with several issues easing about a point.

Equipment "Float"—

Unsold inventories of equipment trust certificates in the hands of dealers are estimated at \$2,400,000 the previous week. Two issues totaling \$7,200,000 were sold; this week again two issues are scheduled for bidding, with total value of \$7,965,000.

**Prices of Recent Securities Issues**

The original offering price and Street market are indicated below for recent issues of selected securities that are not listed on a principal exchange.

**UTILITY BONDS**

Offering	Price	Bid	Asked
Boston Edisan	4 1/4% '87	101.85	103 1/4 103 1/2
Columbia G	5 1/2% '82	101.365	105 105%
Col Natl Gas	4 1/2% '82	101.085	105 106
Del P & L	5% '78	101 1/2	104 104 1/2
Georgia Por	5 1/4% '87	102.229	104 1/2 105
Genl Teleph	5% '87	100	103 1/4 103 1/2
Inter Power	5% '87	100	101 1/4 102
Met Ed	4 1/2% '87	101 1/2	101 1/2 101 1/2
Mich Cn Gas	6 1/2% '82	103.216	108 108%
Mich Wisc Pl	6 1/2% '77	102.888	103 1/4 103 1/2
Nat Fuel G	5 1/2% '82	101.365	104 1/2 105 1/2
N Y Teleph	4 1/2% '91	101.755	100 1/4 100 1/2
Nor Sta Pow	4 1/2% '87	100	99 1/2 99 1/2
Puget S P&L	6 1/2% '87	103.459	105 1/2 106 1/2
Sou Bell Tele	5 1/2% '86	102.32	106 1/4 106 1/2
Sou Cal Edis	4 1/2% '82	100.73	101 1/2 101 1/2
Sou Cal Gas	5 1/2% '83	101.807	103 1/4 104 1/2
Tennessee G	5 1/2% '77	100	102 1/2 103 1/2
<b>OTHER BONDS</b>			
Chance Vght	5 1/4% '77	100	97 1/2 98 1/2
Trans Contin	5% '77	101.63	97 1/2 98 1/2
<b>PREFERRED STOCKS</b>			
Kaiser Alum	4.75%—100%	104 1/4 105	
Pacific P & L	6.16%—102%	103 104	
Potomac Elec	5.24%—50	47 48	

**Tax Exempts**  
Dealers Eye Market  
With Caution Despite  
Drop in Yield Index

A WALL STREET JOURNAL News Headline

The municipal market extended its rally last week, but dealers are cautiously eyeing the hefty issues coming to market during the next two weeks.

The Dow-Jones index of 20 representative 20-year bonds, which moves down as prices go up, stands at a 3.39% yield this morning, compared with 3.44% a week ago. Two weeks ago the index registered a 3.48% yield—the highest level since October, 1935.

"The market should get its test during the next two weeks," one dealer predicts. "I think we've reached the high point in this rally," adds another trader.

**Increases in Offerings**

Scheduled to be put up for bidding this week are \$129,925,945 of municipal bonds, compared with \$105,783,034 which went on the auction block last week. Also, some big issues are scheduled to come into the market next week, topped by \$50 million of California bonds on July 24. However, activity normally tapers off at the bidding block during August, bond men note. The Daily Bond Buyer figures that \$275,119,769 tax-exempt bonds will be offered for sale during the next 30 days, down from last week's \$298,333,448 figure in sight for the next month.

Traders were heartened last week by the good reception for new issues, especially the \$28,000,000 Port of New York Authority airport revenue bonds, which met a brisk demand at retail.

"Some of our buyers are cautioning us not to let prices go too high," one dealer confides. "We could run into some price resistance." Overall, municipal men generally are cautious, despite two straight weeks of improved prices.

Inventories of unsold bonds still in the hands of the dealers built up a bit last week, but observers say the inventory picture is still "comfortable." The Blue List estimates that inventories of unsold municipal and housing bonds total \$140,751,500 this morning, compared with \$126,088,000 a week ago. This is down sharply from the \$275 million inventory levels reached in late May.

This Week's Schedule

Topping the municipal menu this week is \$15,465,000 Atlanta, Ga., bonds scheduled for

**Maryland Shipbuilding Sales, Net More Than Doubled in Half-Year**

Company Forecast Full-Year's Profits of \$6 a Share, Up From \$4.25 Reported for 1955

By a WALL STREET JOURNAL Staff Reporter

BALTIMORE, Md.—Sales and earnings of Maryland Shipbuilding & Dry Dock Co. for the first half ended June 25 were more than double the first six months of 1956, the company said in its first published semi-annual report.

The shipyard reported net income of \$1,032,258 on net sales of \$20,808,837 in the first half, more than twice the \$500,738 net income and \$9,648,383 net sales reported in the like period in 1956.

This was equal to \$3.08 a common share for the first half of 1957, up from \$1.59 a share in the first half of 1956. The company said per-share earnings did not quite match the other increases because the shipyard now has 331,817 common shares outstanding compared with 310,000 shares in 1956.

W. Purcell Hall, president, predicted in an interview that Maryland Shipbuilding's 1957 sales would total about \$40 million resulting in earnings of around \$6 a share.

In 1956, the shipyard earned \$1,341,313, or \$4.25 a share, on net sales of \$31,266,454. Earnings for the first half of 1957 are \$309,025 below the total, for all 1956.

Maryland Shipbuilding, primarily a repair and conversion yard, presently is enlarging two tankers and constructing a new ship for the Navy. Mr. Hall said the firm's backlog is about \$35 million and "has not changed appreciably in the last few months." The backlog includes 10 ships to be enlarged.

"We could go at least 33% faster in our enlarging program if we could get all the steel we wanted," Mr. Hall said. "The steel situation seems to be easing a bit, but not enough to appreciably update delivery of ships."

Mr. Hall said Maryland Shipbuilding hopes to maintain a profit margin of about 5% and expects more profitable operations in the future. "The steel price rise will make a further squeeze on our profit margin," he noted, but the firm is covered by escalation clauses on some of its contracts.

Maryland Shipbuilding has been proceeding this year on the basis of a \$1.25 annual dividend, Mr. Hall said, and no decision has been made regarding any change in that amount. The firm declared a 5% stock dividend in May, payable July 1, and has paid dividends of 6 1/2 cents so far this year.

Waltham Watch Spin Off

NEW YORK—Waltham Watch Co. said the record date for distribution of the stock of the new corporation known as Waltham Watch Corp. of Delaware will be July 23. The distribution is expected about August 22.

Stockholders of Waltham approved the spin-off July 1 in the ratio of one share of the new corporation for each five shares of Waltham Watch Co. held.

The remaining Waltham Watch Co. will become Waltham Precision Instrument Co.

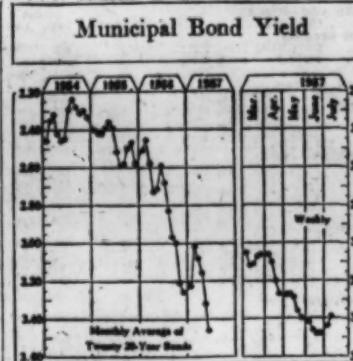
**United Fuel Gas Rates**

WASHINGTON—A Federal Power Commission examiner recommended that United Fuel Gas Co., Charleston, W. Va., be prohibited from giving allegedly unfair differentials to two of its affiliates.

Examiner Daniel J. Kelly ruled that United's summer gas storage rates discriminate in favor of the two affiliates, Ohio Fuel Gas Co., Columbus, and Manufacturers Light and Heat Co., Pittsburgh. United's other customers, Mr. Kelly said, would have to pay higher storage rates.

All three companies are members of the Columbia Gas System.

Mr. Kelly's decision is subject to review by the full F.P.C.



**Broker, 3 Others Deny Alleged Manipulation of Jerry O'Mahoney Stock**

By a WALL STREET JOURNAL Staff Reporter

NEW YORK—A broker and three accountants pleaded not guilty Friday to charges of conspiring to manipulate or of manipulating the price of Jerry O'Mahoney, Inc., stock on the American Stock Exchange. The O'Mahoney firm, based in Elizabeth, N.J., makes ready-made luxury diners.

The four were released by New York Federal Judge Thomas F. Murphy on \$1,000 bail. Trial was set for August 19. They are Bernard Berk, senior partner in Bernard Berk & Co., New York securities firm, and three members of the accounting firm of Morris Gotthilf & Co., also of New York. They are David L. and Martin Shindler and Arnold M. Gotthilf.

Involvement in the transactions alleged to be manipulated, were 300,000 shares of the O'Mahoney stock traded from March, 1950,

to December, 1954, according to Assistant U.S. Attorney Robert W. Bjork, who said that "unpaid purchasers were defrauded." The four were indicted last July.

Mr. Bjork said that during the period involved the price of the stock rose from 99 cents to \$3.62 a share. It is now delisted from the American Exchange and is selling over-the-counter at about 18 cents a share. Mr. Bjork said it is "impossible" to estimate the loss suffered by buyers during the alleged conspiracy.

If convicted, Mr. Berk could receive a maximum of 10 years in prison and a fine of \$20,000. The other could be sentenced to 15 years' imprisonment and fined \$30,000 each.

FPC Blocks Rate Boost

WASHINGTON—The Federal Power Commission temporarily blocked a \$1,899,000, or 8.7%, annual natural gas rate increase proposed by Gulf Interstate Gas Co., Houston.

The proposed increase would affect only

Canadian Dollar Hits New High

NEW YORK—The Canadian dollar hit a new high since November, 1953, in terms of the U. S. dollar in early foreign exchange dealings here Friday. By touching \$1.0506 it just edged past the recent high of \$1.0505, the same figure at which it closed Friday.

Canadian currency has been at a premium over U. S. currency as a result of heavy U. S. investment in Canada and because of a sizable amount of Canadian borrowing in the U. S.

Farrell Lines Seeks Contract

WASHINGTON—Farrell Lines, Inc., asked the Federal Maritime Board for a new operating-differential subsidy contract in its service between U. S. Atlantic ports and Africa to replace its present agreement which expires at the end of 1959.

In asking for a new 20-year contract to begin in 1960, the company stated it would agree to a ship construction program in keeping with the agency's program for replacement of the Merchant Marine fleet.

This announcement is not an offer of securities for sale or a solicitation of an offer to buy securities. The offering is made only by the Prospectus.

**C.I.T. Financial Corporation**

**Series Debentures**

It is the Corporation's intention (i) to offer the Series Debentures by way of a continuing offering over a period of time to reject any offers for any of such Series Debentures and, by appropriate amendment of the Prospectus, to vary the price at which any of such Series Debentures are being offered. The Corporation also reserves the right to terminate the offering as to any or all Series and to add or substitute Series Debentures of other Series which may hereafter be created.

The Corporation reserves the right at any time or from time to time to reject any offers for any of the Series Debentures and, by appropriate amendment of the Prospectus, to vary the price at which any of such Series Debentures are being offered. The Corporation also reserves the right to terminate the offering as to any or all Series and to add or substitute Series Debentures of other Series which may hereafter be created.

Interest will be payable on all Series Debentures on January 1 and July 1 in each year.

The Corporation has initially created seven Series of Debentures. The Debentures of such Series will not be redeemable prior to maturity.

Series	Offering Price\*	Maturity Date

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WE ARE PLEASED  
TO ANNOUNCE THAT

MR. RICHARD T. NICODEMUS

IS NOW ASSOCIATED  
WITH US

H. N. WHITNEY, GOADBY  
& COMPANY

MEMBER NEW YORK STOCK EXCHANGE

MEMBER AMERICAN STOCK EXCHANGE

19 BROAD STREET, NEW YORK 5, N.Y.

We are pleased to announce that

MR. JOHN M. LUMMIS, Jr.  
is now associated with us as Manager  
of our Institutional Department

HAMERSLAG, BORG & CO.

MEMBERS  
New York Stock Exchange  
American Stock Exchange

25 Broad Street, New York 4, N.Y.

Tel.: W Hitehall 3-7700

## JAPANESE STOCKS

### Buy, Sell & Quote

Nikko Kasai Securities Co.

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### McDonnell Gets Missile Contract

ST. LOUIS—McDonnell Aircraft Corp. has been awarded an Air Force contract amounting to \$4,539,722, for research and development on a new missile known as GAM-72 Quail, the Air Materiel Command, Dayton, Ohio, announced.

According to President J. S. McDonnell, the new contract represents one of three major missile projects in which the company is now engaged. McDonnell builds airplane and ramjet propulsion units for the surface-to-air Talos missile, which the Navy plans to put into fleet operation next year, Mr. McDonnell said. Additionally, McDonnell is prime contractor for another secret missile project for the Navy, he said.

McDonnell now has about 800 workers in its missile engineering division, 32% more than a year ago, Mr. McDonnell said.

### Toronto (Canadian Funds)

#### MINES & OILS

Sales Stocks High Low Close Chg.

13000 Ajax .80 .80 .80 +.01

13000 Algon 20.00 19.37 20.25

13000 Am. Indus. .31 .31 .33 +.01

13000 Am. Neph. 1.21 1.21 1.20 -

13000 Anacos. 1.34 1.34 1.34 +.01

13000 Aurora 1.90 1.85 1.90 -

13000 Barratt 18.00 18.00 18.00 +.01

13000 Barnatt .30 .381/4 .30 +.01

13000 Barvus .45 .45 .45 -

13000 Base Met. .82 .72 .78 +.06

13000 Batac .30 .30 .30 +.01

13000 Batac .70 .70 .70 +.01

13000 Beacon .16 .18 .16 -

13000 Bierott 1.81 1.77 1.77 -

13000 Bralores 4.10 4.10 4.10 -

13000 Bralores 2.00 2.00 2.00 -

13000 Breal Reef .74 .74 .74 -

13000 Buff Ank .87 .85 .85 -

13000 Calalita 1.34 1.30 1.30 -

13000 Can Calif. 13.00 13.00 13.00 -

13000 Can Oil Ld 3.75 3.40 3.75 -

13000 Can Oil Ld 3.75 3.40 3.75 -

13000 Can Oil Ld .53 .53 .53 -

13000 Can Oil Ld .53



AMERICAN STOCK EXCHANGE  
MOST ACTIVE STOCKS

Five Domestic Stocks:		Volume	Close	Chg.
Crown Cos.	19,400	115	115	+1
Kin. Oil	10,000	75	75	-
Barium S.	14,500	75	75	-
Mid. R. Pet.	11,000	10	10	-
Stear. Pet.	10,000	10	10	-

Five Foreign Stocks:

Five Foreign Stocks:		Volume	Close	Chg.
Can. Pet. Gas.	48,000	25	25	-
Can. Pet. Oil	50,000	22-12	22-12	-
Can. Oil Prod.	30,000	2-16	2-16	-
Sept. Pet. Oils	31,000	3-16	3-16	-
Foreign Oils	20,000	67	67	+13-16

## American Stock Exchange Transactions

Friday, July 12, 1957

## VOLUME, 980,000 SHARES

SINCE JANUARY 1

Total sales 1907 1908 1909 1910

New Highs 1907 1908 1909 1910

New Lows 1907 1908 1909 1910

1907 1908 1909 1910

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## The Dow-Jones Averages

HIGH  
CLOSE  
LOW

### INDUSTRIALS

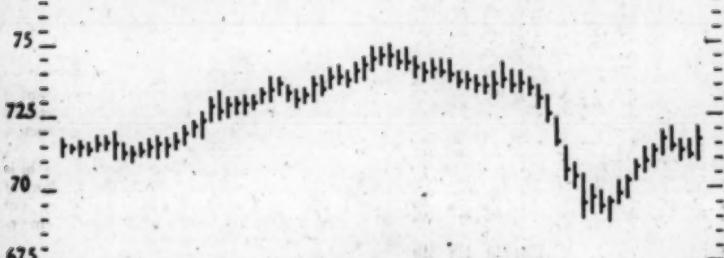
MARCH — APRIL — MAY — JUNE — JULY



### RAILROADS



### UTILITIES



### Daily Volume



Following are the Dow-Jones averages of industrials, railroads and utility stocks with the total sales of each group for the period indicated:

Date	Open	11	12	Time	1	2	Close	Change	%	High	Low	Shares Sold
July 13	517.04	518.79	518.36	518.56	518.86	520.77	+ 2.80	+ 0.54	521.94	514.88	548,000	
July 14	521.97	518.25	518.73	518.53	518.53	517.97	- 1.84	- 0.35	522.30	515.20	277,500	
July 15	520.55	518.50	518.25	518.25	518.25	517.51	- 0.34	- 0.14	518.50	515.11	277,500	
July 16	518.76	517.97	517.21	516.36	516.36	516.77	+ 2.94	+ 0.39	520.32	513.51	277,500	
July 17	519.03	518.85	518.44	518.44	518.44	518.41	+ 1.80	+ 0.34	521.71	515.33	321,000	
RAILROADS	131.82	132.00	131.78	131.91	132.51	132.51	+ 0.55	+ 0.37	133.00	131.36	65,100	
July 18	132.94	132.85	132.31	131.89	132.00	131.91	- 0.47	- 0.31	132.37	131.34	106,300	
July 19	130.55	130.59	130.44	130.64	130.60	132.43	+ 2.50	+ 1.87	132.78	130.58	154,100	
July 20	149.19	149.25	149.32	149.27	149.18	149.52	+ 0.63	+ 0.41	149.78	148.78	37,000	
July 21	149.14	149.14	149.14	149.14	149.14	149.50	+ 0.36	+ 0.24	149.50	148.33	75,800	
UTILITIES	71.48	71.48	71.45	71.45	71.45	71.45	+ 0.52	+ 0.37	71.50	70.92	33,800	
July 22	71.51	71.51	71.51	71.51	71.51	71.51	- 0.03	- 0.12	71.51	71.47	37,750	
July 23	71.51	71.51	71.51	71.51	71.51	71.50	- 0.13	- 0.11	71.50	70.92	32,700	
July 24	71.56	71.71	71.79	71.68	71.68	71.45	- 0.36	- 0.23	72.13	71.38	41,000	
July 25	71.48	71.48	71.48	71.48	71.48	71.71	+ 0.23	+ 0.34	71.96	71.11	49,000	
STOCKS COMBINED AVERAGE	178.71	178.71	178.94	178.90	178.11	179.87	+ 0.95	+ 0.53	180.43	177.96	347,200	
July 26	178.96	178.96	178.90	178.77	178.77	178.92	- 0.34	- 0.31	180.37	178.04	417,675	
July 27	178.45	178.45	178.37	178.37	178.48	178.48	+ 0.34	+ 0.17	180.12	177.75	478,100	
July 28	178.41	178.41	178.41	178.41	178.41	178.41	- 0.06	- 0.03	178.41	178.38	379,000	
July 29	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
July 30	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
July 31	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 1	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 2	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 3	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 4	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 5	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 6	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 7	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 8	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 9	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 10	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 11	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 12	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 13	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 14	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 15	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 16	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 17	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 18	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 19	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 20	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 21	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 22	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 23	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 24	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 25	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 26	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 27	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 28	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33	178.30	379,000	
Aug. 29	178.42	178.42	178.33	178.33	178.33	178.33	- 0.09	- 0.06	178.33			

## Steel Producers See Demand Holding at High Level for Rest of This Year and Probably Through Mid-'58

Buying by Auto, Construction Firms Should Help Sustain Sales in '58, They Say

By THOMAS J. LALLY  
Staff Reporter of THE WALL STREET JOURNAL

PITTSBURGH.—The solid business expected by the steel industry for the remainder of this year will carry over into 1958 and probably extend through the first half, according to market studies being made by some leading producers.

Although steel demand has gone down from the peak levels of early 1957, it is still holding up sufficiently to keep industry-wide production at around 80% in a month generally forecast to be the low of the year. Producers look for a recovery late in the summer as auto manufacturers start ordering steel heavily for their 1958 models. Few foresee a boom but they do expect operations to rise at least six percentage points over the current rate.

Convinced that 1957 will be a good year, steel makers are beginning to peer into 1958 and they're arriving at some pleasing, if inconclusive, opinions. Those opinions are, briefly, that the first five or six months of next year should see a sustained high, but not spectacular, demand, supported chiefly by strong buying of automotive and construction steels and fortified, in the second quarter probably, by a renewed inventory buildup.

### Forecast for Next Year

"There are lots of signs of underlying strength," said one large producer. "We've been taking a fast look at the first half of next year and we see a good, strong demand—as good as we expect for the fourth quarter and probably better. We're not looking for 300% operation, though."

This company in projecting tentatively an operating rate of around 85% during the first quarter and a rate of perhaps as high as 90% in the second quarter, based on present steel making capacity. At the higher industry-wide capacity assured for next year, the rates would be moderately lower.

Another big steel producer termed the 1958 outlook "pretty fair," and went on to add that "we're expecting a good first quarter." He suggested that the auto industry would probably be much more active in the steel market than it is now and that acceleration of the Federal roadbuilding program would intensify demand for construction steel.

### View from the Midwest

A midwestern steel maker summed up his views this way:

"We have a good idea from talks with the auto companies that they will be running full blast once production of '58 models gets underway and probably will continue that way through most of the first half. Reuther (Walter Reuther, president of the United Auto Workers) is going to hit the auto boys when the contracts expire and they'll be in a hurry to

stock up dealers before any strike breaks out. The fourth quarter (of this year) figures to be better than last year and there's no reason to expect much of a drop-off in the following few months."

Also contributing to steel men's optimistic outlook in 1958 business of their good customers, the auto companies, is their conviction that General Motors will storm back strongly in an attempt to recapture the ground it lost this year to Chrysler and Ford.

"And you can bet," remarked a steel official here, "that their competition will be in there fighting, too. Combine that with what we believe will be an effort to get a lot of cars in dealers' hands in advance of possible labor trouble, and you have darned good auto output in the first five months."

### Backlogs High for Plates, Shapes

Fortifying industry confidence on next year's prospects are the heavy backlogs of orders for plates and structural shapes, used in shipbuilding, highway and building construction, railroad car and other construction activities. Pressure for plates and shapes has declined somewhat in recent weeks, but full operation of plate and structural mills are assured for months ahead. Steel people say the demand for construction steel could rise next year if, as they hope, the Federal road building program picks up speed by that time.

Inventories also could become a factor in stimulating steel business next year. Some leading steel authorities are convinced that the steel inventory buildup peaked out a couple of months ago and that a moderate liquidation now in progress will continue through the rest of the year, and, possibly, into the first quarter. There could then follow, they reason, a buildup of steel stocks in the second quarter.

"We are very happy about the way this rolling readjustment of inventories is going on," said a district steel producer. "It has been orderly and has brought no serious disruptions. Inventories should be in good shape next year."

### Order Patterns Little Changed

Current order patterns in steel are little changed from the situation that has prevailed since early in the year—the heavier steel products in persistent demand, the lighter flat rolled products like cold rolled sheets lagging.

But a mild improvement has set in for cold rolled sheets and that is expected to gain momentum as the summer advances. For one thing, buying of steel for the 1958 autos—and that means mostly cold rolled sheets—is ex-

pected to get under way late this month. Steel ordered late in July would show up in August ingot production, in September steel shipments, and in the flashy new cars that will appear in dealers' showrooms in October.

July to date has been a pleasant surprise to steel men in that production has not slipped as much as they had thought it would.

"Up to recently," said one, "we had expected late July and early August to be the low point of the year but we are beginning to think that maybe the last week or so was as bad as we'll get. Customers are beginning to hink orders for even hot and cold rolled sheets—not greatly but nevertheless a gain—in anticipation of some tightness later in the year."

### Price Boosts Taken in Stride

The steel price increases that went into effect July 1 apparently haven't slowed the market and, according to producers, are being taken in stride by customers.

The increases averaged \$6 a ton or about 4%, generally in line with trade predictions but less than many steel makers claimed they needed to offset higher wage rates.

Producers say that among their consumers there has been little or no adverse criticism of the price hikes. "Many felt relieved it wasn't more," said one steel man.

Steel production last week was scheduled at 80.4%, a rise of almost two points from the year's low of 78.5% registered during the holiday week of July 1.

Declines are indicated for this week in the Pittsburgh and Chicago districts, a gain for the Youngstown area.

In Pittsburgh, ingot output will slip this week to 88% from an actual rate of 90.6% last week. In Chicago, operations are scheduled to decline to 83.5% from last week's 86.1.

However, in the Youngstown district, four open hearth furnaces will be returned to production to boost the steel making rate there six percentage points to 79% of capacity.

The S. E. C. is to file an advisory report on the plan by August 27. The S. E. C. must approve the reorganization proposal.

Findings of the S. E. C. will be discussed in District Court here September 3.

Judge Anderson's ruling ended five days of testimony on the plan. Debenture holders with \$7,000,000 invested in the company and general creditors with \$9,000,000 in claims opposed the plan. Under it, they will get only part of their investments back.

Richard Joyce Smith, Northeastern trustee, said: "If the court approves the plan, we will have it submitted to a vote of the affected creditors late in September." He said he hopes the company will be turned over to Carpenter

## Court Backing Indicated For Northeastern Steel Reorganization Plan

Proposal for Carpenter Steel to Acquire Bankrupt Firm Ordered Sent to SEC

NEW HAVEN.—(AP)—U. S. District Judge Robert P. Anderson ruled that a reorganization plan for Northeastern Steel Corp. of Bridgeport is "worthy of consideration" and ordered it forwarded to the Securities and Exchange Commission in Washington.

The plan provides for Carpenter Steel Co. of Reading, Pa., to exchange between 40,000 and 65,000 shares of its common stock for some 1,000,000 shares of new common stock in Northeastern.

Carpenter Steel closed last Friday on the New York Stock exchange at 73 1/4 and if 65,000 shares were exchanged for the new Northeastern shares, they would have a value of about \$4.8 million. But Northeastern general creditors hold claims totaling \$8 million, so there would be nothing left over for the stockholders, according to the plan written by two Northeastern trustees. Options and warrants issued by Northeastern for the purchase of 275,750 shares of old common stock would be worthless.

The S. E. C. is to file an advisory report on the plan by August 27. The S. E. C. must approve the reorganization proposal.

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Judge Anderson's ruling ended five days of testimony on the plan. Debenture holders with \$7,000,000 invested in the company and general creditors with \$9,000,000 in claims opposed the plan. Under it, they will get only part of their investments back.

Richard Joyce Smith, Northeastern trustee, said: "If the court approves the plan, we will have it submitted to a vote of the affected creditors late in September." He said he hopes the company will be turned over to Carpenter

### Steel by October 1:

Northeastern, which is bankrupt, says it is losing \$300,000 a month, and has lost more than \$4,000,000 since it began operations in December.

Mr. Smith has said he might cut the work week of the 320 employees to save money, after return from vacation on Monday.

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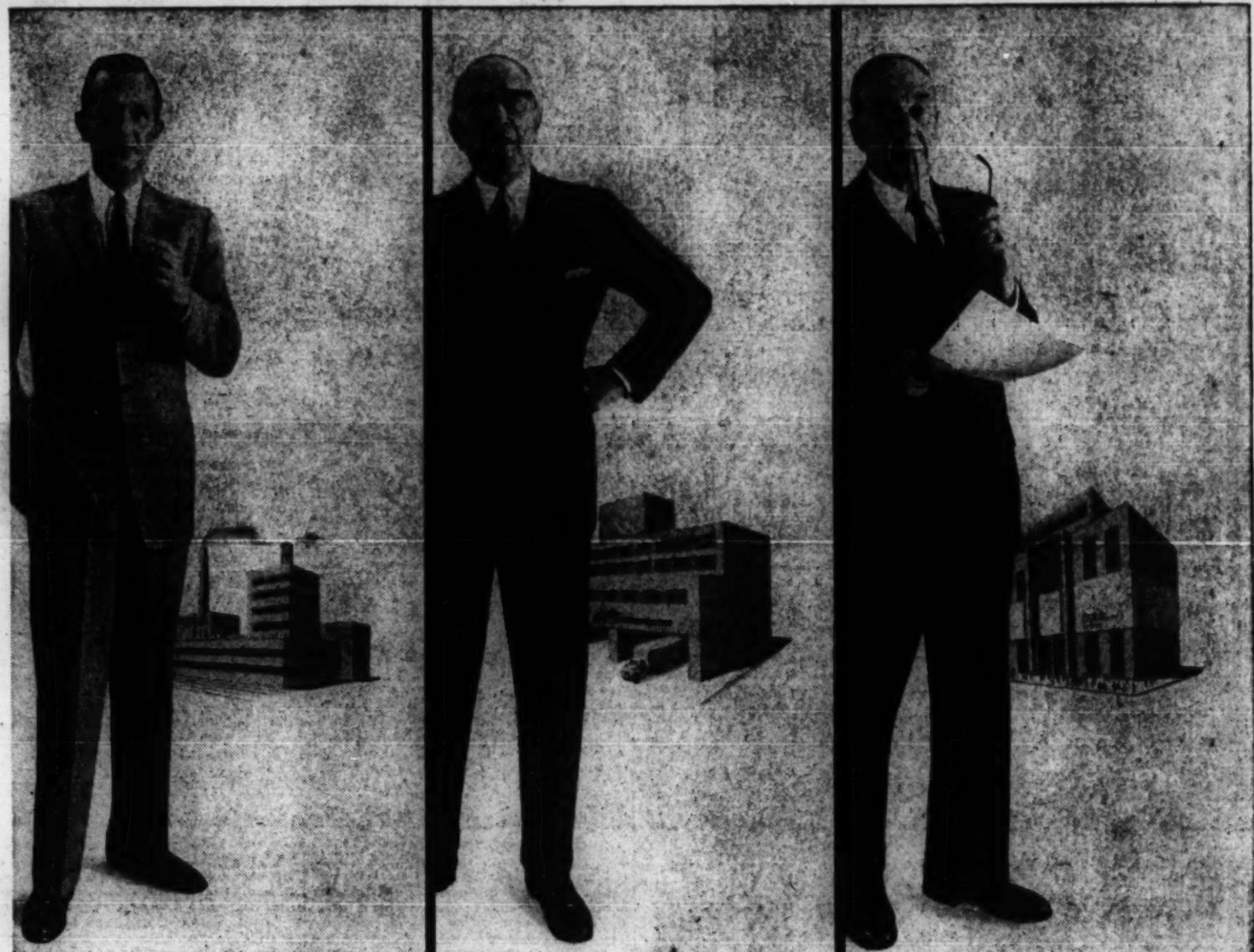
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BROOKFIELD, CONN.—12 Congress St.

BUFFALO, N.Y.—334 Delaware Ave.

Burnsville, NC.—108 Cherry St.

Calgary, Alta.—5045 10th Ave., St. 38,

Calgary, Alta.—5045 10th Ave., St. 38,